

HEATH EVANGELICAL CHURCH CARDIFF

England & Wales · Charity number 1118052

Details

Status Registered

Legal form Other

Registered 2007-02-21

Register [View on the Charity Commission register](#)

Contact

Address Heath Evangelical Church
122 Whitchurch Road
Cardiff
CF14 3LZ

Phone 02920617738

Email secretary@heath-church.org

Website www.heath-church.org

Activities

Objects: THE OBJECTS OF THE CHARITY ARE: A) TO ADVANCE THE CHRISTIAN FAITH IN ACCORDANCE WITH THE STATEMENT OF DOCTRINES REFERRED TO IN SCHEDULE 1 AND SCHEDULE 2 OF THE GOVERNING DOCUMENT IN SUCH WAYS AND IN SUCH PARTS OF THE UNITED KINGDOM OR OF THE REST OF THE WORLD AS THE PASTOR AND ELDERS FROM TIME TO TIME MAY THINK FIT;B) AS SUBSIDIARY TO (A) ABOVE (AND ONLY AS SUBSIDIARY) TO RELIEVE SICKNESS AND FINANCIAL HARDSHIP AND TO PROMOTE AND PRESERVE GOOD HEALTH BY THE PROVISION OF FUNDS, GOODS OR SERVICES OF ANY KIND IN SUCH PARTS OF THE UNITED KINGDOM OR OF THE REST OF THE WORLD AS THE CHURCH COUNCIL FROM TIME TO TIME MAY THINK FIT.

Activities: Heath Evangelical Church runs meetings and activities of benefit to the general public, including two Sunday services (creche and Sunday school provided), Bible studies, prayer meetings, summer camps and weekly children's and youth groups (for toddlers, infants, juniors, teens, students). Funds are provided when natural disasters etc. occur. Sick and needy are visited.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL AND OVERSEAS.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£679,254	£663,739	£2,362,341	12
2023-12-31	£672,080	£624,509	£2,346,826	11
2022-12-31	£651,388	£664,540	£2,299,255	12
2021-12-31	£632,327	£551,246	£2,312,407	12
2020-12-31	£502,759	£478,113	£2,231,326	12

Trustees

Name	Role	Appointed
Rev ALUN WYN HUGHES	Chair	
ALISTAIR JOHN BARKER		
Dr CARWYN CROSSLEY SHIRES		2026-01-21
Dr DAVID ERYL DAVIES		
Dr Michael Sylvester Packianather		2016-04-11
Dr PAUL WILLIAM TENCH		
Geraint Seymour		2026-01-21
KEITH BATSTONE		
KERRY JONATHAN ORCHARD		
LEVON CHORBADJIAN		2017-05-03
RICHARD WILLIAM AKRILL		
Rev Nathan Llywelyn Munday		2024-12-02
Timothy Robert Cross		2026-01-21
WYN GRUFFYDD EVANS		

Accounts

**Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 December 2024
for
HEATH EVANGELICAL CHURCH**

MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

HEATH EVANGELICAL CHURCH

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their report with the financial statements of the charity for the year ended 31 December 2024. 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 objects of the charity (taken from the Governing Document) are:

- a) to advance the Christian faith in accordance with the Statement of Doctrines referred to in Schedule 1 and Schedule 2 of the governing document in such ways and in such parts of the United Kingdom or the rest of the world as the Pastor and Elders from time to time may think fit.
- b) as subsidiary to (a) above (and only as subsidiary) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Church Council from time to time may think fit.

Activities and meetings (including those for public benefit)

The following meetings and activities are open to non-members as well as members of the Church. Many of the meetings are attended by the public, particularly those in the local community:

SUNDAY

Morning Prayer Meeting
CHURCH SERVICE 10.45am
Morning Sunday Schools (Church Hall & Annexe)
CHURCH SERVICE 6.00 pm
Informal Fellowship Meeting (Church Hall)

MONDAY

Missionary Prayer Meeting
Home Bible Study Groups (first Monday of the month)
Young Persons Bible Study

TUESDAY

Seniors Coffee Morning (one2two)
International Ladies' Bible Study (one2two)
Music & Movement (Church Hall)

WEDNESDAY

Women's Bible Class (Church Hall)
BIBLE STUDY & PRAYER MEETING (Church Hall)
7.30pm

THURSDAY

Toddler Group - term-time (Church Hall)
Warm Bank (Annexe)
International Students Bible Study
Men's Reading Group - monthly (one2two)

FRIDAY

Youth Bible Study 11-18 years (Annexe)
Youth Activity Meetings
 4-11 years (Church Hall)
 11-18 years (Church Hall)
Open House for Internationals (one2two)
Seniors' Lunch (first Friday of the month)

SATURDAY

Ladies Reading Group monthly (one2two)

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

OBJECTIVES AND ACTIVITIES

Significant activities

- The Church allows the Annexe building to be used as a polling station in local/general elections and as an emergency facility for a neighbouring school. Other Churches, organisations and individuals occasionally made use of Church facilities by arrangement when there was availability and where those activities were in line with the Church constitution.
- The sick, needy and dying (members and non-members) are supported and practical help. These may be visits to private homes, care homes, hospices or hospitals.
- Weddings and funerals are conducted on the Church premises (members and non-members).
- The Church raises funds for the relief of suffering in parts of the world that experience great hardship e.g. through natural disasters.
- The Church employs a full-time worker to lead the International Student Work, support the young people's work and provide pastoral care for young men.
- The Church also employs a full time Women's Worker to engage in care and discipleship work as well as evangelism among women of all ages.

Access

The aforementioned activities are for the use and participation of all in the community. In order to give as wide an access as possible, the following are provided:

- Physical access to the church buildings complies with the requirements of the Equality Act 2010.

Further strategies adopted and activities undertaken to achieve the objects of the charity

In order to further the opportunities to engage the community in the meetings, activities and events of the Church, and to wisely review what is currently done, the following are employed:

- Prayer (specific prayer groups, corporate prayer and personal prayer).
- Personal conversation and invitation.
- Advertising and publicity (specialist church newspapers, flyers and leaflets in the community were distributed by Royal Mail, church magazine, notices and announcements at public church meetings).
- Website information, downloads and opportunity for e-mail contact with the Church. The Church has Facebook, Twitter pages and a YouTube channel.
- Video Streaming: Every Sunday, both Morning and Evening Services are available as a 'live stream' (via YouTube) to anyone who has access to the internet. The broadcasts include hymn singing, Bible reading, prayer and sermon.
- Seeking information and advice from relevant individuals, churches and organisations about the spiritual and practical needs of missions, groups and individuals on a case by case basis.
- The Elders and Church Council have regular meetings which function in a manner that monitors and reviews the activities and objects of the Church.

How the Church measured success in the reporting period

The Elders and Church Council are conscious that it is only in eternity that we will see what the Lord has been doing amongst us. However, we in no way wish to use this as an excuse to abrogate our responsibilities and, whilst holding on to the principle that it is His work, not ours, we endeavour to be faithful stewards. As such we look to see the Gospel preached, church members and all others worshipping and fellowshiping with us taught and ministered to, and any facing hardship looked after in practical ways. This report sets out financial information which provides some limited insights into our "success". Other numerical information such as our membership roll, numbers of those attending our meetings and services and "footfall" in our café and the linked Heath Christian Bookshop can be helpful, but our main litmus test is the prayer meeting, the Power House of the Church, and even then not in numbers of those attending; the real test is whether we are attending on the Throne of Grace, and our success or otherwise in appealing for God's help in all we seek to do in His Name. We covet more of His Presence and, whilst we are not ungrateful for the wonders we see Him doing in individual lives, we long for greater blessing through an outpouring of His Spirit.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

OBJECTIVES AND ACTIVITIES

Grant making

The Church makes discretionary grants to individuals and institutions. Such support is focused on the following categories:

- Theological training for ministerial students and others
- "Our Missionaries" - Christian workers sent out by the Heath Church
- Other missionaries
- Pastors
- Christian workers
- People in financial hardship

The size and duration of grants are considered at the discretion of the elders and recommended to Church Council for approval. In particular we support missionaries and other Christian workers who have been commissioned by our Church. We only provide such support to individuals and organisations whose beliefs and practices fit with Church's aims and objectives. On occasions we also provide humanitarian aid as well as helping in cases of individual financial hardship. Generally, this will be either given directly to beneficiaries or channelled through a trusted intermediary church or other organisation.

Volunteers

The charity's different activities are run mainly by volunteers, most of whom are members of the Church.

The many and varied activities of the Church are made possible by the voluntary work of members. Members give their unpaid time to such activities as Sunday school and Bible Classes, Youth and Children's Clubs, audio Ministry, website maintenance, stewarding duties, Church Magazine contributions and editing, and visiting the sick and needy.

Individual members hold specific posts voluntarily. These include the Treasurers (Church and Missionary), Gift Aid Administrator, Church Secretary, Secretary to the Elders, DBS Administrator, Health and Safety Officer, Chief Steward and Minibus Keeper. Volunteers help to produce leaflets for evangelism and the bimonthly prayer diary. This list is not exhaustive but it gives a flavour of the breadth of voluntary work. It is impossible to quantify the hours per annum but it runs into the tens of thousands.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

ACHIEVEMENT AND PERFORMANCE

Charitable activities

(Referenced to the two main objects (a) and (b) of the charity)

The Church met for worship throughout the year, twice on Sunday and throughout the week for prayer, Bible study and activities for young and old. (a)

- The Pastor preached on the majority of Sundays; the Pastor did not preach for us on the last Sunday of each month. Our Assistant Pastors: Andy Christofides preached on 20 occasions and Nathan Munday preached on 15.
- Visiting preachers throughout the year were: Michael Teutsch (Cardiff), Alun Johnson (Cefn Hengoed), Jonathan Wilson (Blackpool), Owen Batstone (Cardiff), Scott Moore (EMF), Steve Dyer (Upper Cwmtwrch), Roger Carswell, Philip Eveson (Wrexham) and Gary McKee (Church Member). (a)
- Recordings of sermons and Bible studies were provided through the website (downloads) and YouTube page. (a)
- Christianity Explored courses were held (a)
- A week-long evangelistic outreach mission was held in October with Roger Carswell leading the meetings. (a)

Financially, the Church was able to meet all its commitments during 2024 through the continued support of its members. (a)

- The Church continued to provide financial support for the Heath Christian Bookshop Trust. (a)
- The Church owns 122 Whitchurch Road (known as "one2two") which is used as a Christian Bookshop and Coffee Shop. Additional rooms on the first floor are used as an office and a lounge for church meetings/activities. One2two is a ministry of the Church in the community. (a) (b)
- The Church runs the coffee shop in one2two and employs a coffee shop manager and supervisors. A coffee shop committee is appointed to plan, monitor, review, and report to Church Council. Volunteers along with paid staff serve and help with the day to day operations of the coffee shop. (b)
- Financial, spiritual and moral support was provided for members serving across the world in Africa, Europe and Asia. The Church continued to support the work of one of its missionaries involved in helping to run homes for men and women with physical and/or learning disabilities in Moldova. Other missionaries were supported financially in their primary task of preaching the Gospel. We also provided help in related work including support for: Dai Hankey and the Mercy Church, Llanishen Evangelical Church, Bryn y Groes, Hill Park Baptist Church, Equipping Pastors Worldwide and Paul Daniel Jnr. The Church has provided the manse as accommodation for a Ukrainian family of six. The family vacated the manse in May 2024. (a) (b)
- A special collection was made at Christmas for work with children in Haiti and Eastern Europe. (b)
- The Church continued to administer a fund for the relief of financial hardship experienced by individual members and non-members. (b)
- The Church provided the opportunity for the training and development of two "apprentices". The majority of the expenses were supplied by financial support from members of the church. The training continued until the end of August 2024. (a).
- The Church continued to employ an administrative assistant to enable the Church office to be open for 5 hours 4 days per week and to help with the efficient running of the Church. (a) (b)

A weekly coffee morning is run to foster fellowship and counter loneliness for seniors within the local community. (a) (b)

Christian talks in morning assemblies for local schools are provided as requested (a)

The Church continued to edit and publish a bi-monthly magazine for distribution (both electronically and in print) to members and other interested parties. (a)

The Church website, YouTube page and social media accounts continued to be a useful tool for providing information worldwide and welcoming electronic contact from website visitors. (a)

Hospitality was provided to those in need. (b)

A Warm Bank was held for one day each week (from October to the following February) (b)

Regular outreach to residential care establishments included Bethel House, Lakeside and Ty Coch residential homes. (a)

Progress the Church has made against its objectives

Wednesday evening meetings involve a Bible study, a time of prayer, and opportunities to present a review of progress by the members of the congregation involved in various activities of the Church.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Members are encouraged to bring questions or matters of concern to the trustees. The Elders consider all points raised and respond as they deem appropriate, keeping other trustees informed at monthly meetings of the full Church Council.

The Elders assess progress on a continual basis at their regular Tuesday evening meetings and bring everything to the Lord in prayer, feeding back to the congregation through individual letters, the bi-monthly Church newsletter and announcements made at the Sunday and other services.

Positive and negative factors that affected the achievement of objectives and how future plans are affected

We have been blessed with a Pastor and Assistant Pastors who have been enabled to preach to us and teach us in thoughtful and helpful ways. Through this ministry we are seeing new individuals brought to a saving knowledge of Christ, and Christians growing spiritually.

As well as the ministry, there are many members actively engaged in the work, mostly unpaid but some paid, as teachers, helpers, evangelists, cleaners, book and coffee shop assistants, missionaries, encouragers and youth workers. We are grateful for the tireless efforts of so many who, in His name, give willingly of their time to run these activities - and those also who work so hard behind the scenes to make sure that the environment is safe and suitable for these things to continue. Our God is good.

Principal risks and uncertainties

Financially, the Church has had a moderately successful 2024 due to careful management and control of the budgets. However, this is tempered by the fall of income from donations and so care should be exercised in 2025. The trustees have agreed to increase the deemed free reserves required from £100,000 to £150,000 as reflected within the reserves policy. This money would be used in any future extreme situation to offset the deficit between income and expenditure whilst remedial action is taken again to alleviate the situation.

Property maintenance during 2024

Routine inspection, servicing, and cyclic maintenance work has continued in compliance with safety and statutory obligations. General maintenance needs have proved to be greater this year with more extensive work needed on boilers, the fire detection system, fire extinguishers, and repairs following a break-in.

More major projects have progressed with the internal and external redecoration of the Church Hall and replacement of deteriorating light fittings. Preparations have been made for the installation of a new kitchen in the Manse, and for repainting the external rendering.

However, there remains difficulty in engaging suitable contractors to undertake planned maintenance work. The construction industry is busy, and trade prices continue to increase. Replacement of the boiler house roof and rendering at the rear of 122 Whitchurch Road remain pending.

As reported annually, at some point in the future there will be a major financial requirement for complete re-roofing of the main church building and for repainting the ceiling.

FINANCIAL REVIEW

Financial position

The Statement of Financial Activities reports a net surplus for the financial year of £15,515 (2023 - £47,571). This is split as a surplus on unrestricted funds of £28,204 and a timing deficit on restricted funds of £12,689.

During the financial year the Church received an unrestricted legacy donation of £47,000.

It was reported last year that the Church had made a 'staggering turnaround' following the bleak position of the previous financial year. The response resulted in an overall increase in donations by £92,100. This high level of giving has not been maintained in 2024. Note 3 to the financial statements reports total income from donations and legacies of £563,698 (2023: £568,244). If the effect of the legacy income in each year is removed, then the income from donations has decreased by £31,546. This position would have been exacerbated without a one-off donation of £20,000 received in November 2024.

The coffee shop continued to run at a deficit. Direct coffee shop income reported at £61,539 with an additional sum of £5,979 received by way of restricted donations. Coffee shop expenditure reported at £80,529 including salary costs, resulting in a deficit of £13,011 (2023 - net deficit - £12,591).

Camps generated an income of £35,316 with costs of £35,058 which meant a surplus of £258 (2023 - net deficit £1,621).

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL REVIEW

Principal funding sources

The Church's income takes the form of regular giving via the Church website, and also directly into the Church's bank accounts. The donation boxes in the foyer have also been re-opened and have proved to be a significant source of income.

Income from offerings, gift aid and the missionary account was £513,798 compared with £542,844 in 2023 (legacies excluded). Missionary income from donations was £118,146 (2023: £141,493). The decrease in missionary giving is a concern. Missionary Committee will endeavour to raise the profile concerning the importance of supporting our missionaries in 2025.

Total income for the year is reported at £679,254 including a legacy of £47,000 compared to £672,080 in 2023 which included a legacy of £20,000.

It was noted last year that 'It is unknown whether the increased giving will continue in 2024 as the increased donations may have been a response to a particular set of circumstances.' The evidence suggests that this has not been the case, we remain careful stewards of the money, mindful that day-to-day expenses should be paid from current income. Finance Committee stated to Church Council the following - "Finance Committee expressed unanimous concern that the money (in the reserves) should not be spent hastily for the sake of reducing the reserves, and that the money should only be spent based on merit."

Reserves policy

The total funds held at the year end stand at £2,362,341, of which £46,160 is restricted. However, of this amount the Church has designated funds of £2,003,415 leaving free reserves of £312,766.

Included within designated funds are the following:

- Fixed asset fund of £1,853,415 equal to the net book value of the fixed assets held.
- Car parking land of £100,000 for future opportunity to purchase land close to the Church building
- Essential property works £50,000

The trustees consider that reserves should not be less than £150,000 at any time. This is a relatively modest value compared with the income and expenditure flows. However, at present, free reserves held of £312,766 are in excess of £150,000.

During 2024, it was agreed that there should be a policy for reducing the amount of the free reserves. The exercise started in September 2024 when the amount of money in the two reserve bank accounts stood at £433,000. In broad terms the following was agreed - increase protected reserves to £150,000 as reflected in this policy; make a provision for funding a car park £100,000; provision for various infrastructure works on the Church and manse £50,000; Further estimates and proposals are due for consideration.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Heath Evangelical Church is constituted as a charitable trust whose governing document is its constitution and trust deed.

Organisational structure

All decisions relating to the spiritual oversight and overall direction of the Church are taken by the Pastor and Elders. All other decisions are made by the Church Council which consists of the Pastor, Elders, Deacons and Church officers.

Appointment of Pastor

The Pastor is elected by the admitted members of the Church by a special resolution passed at a Church meeting.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Election of Elders

Instruction is given to Church members concerning the biblical qualifications of an Elder. Members of the congregation are invited to suggest to the Elders names for consideration. From the names suggested to them, and any others the Elders may consider suitable, the Elders recommend nominees to the Church members, based on the needs of the Church at that time. Their names are then presented to a meeting of Church members called to elect Elders. Those receiving the votes of at least two thirds of the members present and voting are considered duly elected. Those elected are approached by the Pastor and Elders and invited to accept the office. Those persons duly elected as Elders are recognised at an Ordination Service.

Elders are elected for life, or as long as they continue to be members of the church, or until they resign, or until they are removed from office, whichever is the earlier. At least every seven years, a recommendation is placed before the Church members for an election of Elders to be arranged. Should this recommendation be supported by at least two thirds of those present and voting, the necessary arrangements are made.

Election of Deacons

Deacons are elected to office by a meeting of the Church. They are elected from those who have been members of the Church for over three years. Vacancies in the Diaconate are filled by those nominations obtaining the largest number of votes at a Church meeting, provided they receive a minimum of one third of those present and voting. Nominations for election are submitted to the Church Secretary and signed by the proposer, seconder and nominee. All must be members of the Church.

Induction and training of new trustees

Any new deacon elected must have been a member of the Church for a minimum of three years. The pastor, elders, deacons, secretary and treasurer are all trustees. In practice, new trustees have been members for much longer than this. This experience is of great benefit in terms of familiarising trustees with the day to day functioning of the Church and its administrative systems. Information regarding the committees of the Church and roles of key personnel is provided in the annual Members' Directory. Trustees will have received the accounts of the Church for at least the previous three years. New trustees are provided with booklets on the roles and duties of trustees of charities, published by the Charity Commission. The Church Secretary briefs new trustees on the procedures and practices that are unique to Church Council members. The Church Constitution is provided and it gives more detailed information on procedures and practices, including the objectives of the Church.

Key management remuneration

An important pay principle in our pay policies is that our pay scales, salaries and benefits are proportionate to the complexity of role/ responsibilities. We aim to pay around the median for similar roles in similar organisations but not compete on salaries within the public or private sectors. To help us achieve this, we monitor similar charity sector pay trends through available sources.

Related parties

The charity has several trustees in common with Heath Christian Bookshop Trust and has given financial support to this organisation during the year.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Church has both a Safeguarding Policy and Safeguarding Guidelines which have been approved by and lodged with the Churches Child Protection Advisory Service. Disclosure and Barring Service (DBS) Disclosures have been sought and received for all trustees of the Church and for those who work with children and vulnerable adults in the Church. There is a rolling programme for updating / renewing these DBS Disclosures. The Health and Safety Policy has been revised to ensure compliance with current recommendations. Key personnel have been consulted and the Policy given to all relevant staff. Adaptations and improvements have been made to the Church premises to ensure compliance with the Equality Act 2010. Insurance cover was set in the light of independent advice. The trustees comply with Charity Commission advice and directives in the running of the Church.

The Church's finances are subject to external independent examination. During 2024, day to day expenditure was managed from the church income. The church reserves were utilised for agreed and controlled expenditure for specific needs and issues.

The trustees are satisfied that any major risks are being assessed and systems put in place for their mitigation.

HEATH EVANGELICAL CHURCH

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1118052

Principal address

122 Whitchurch Road
Heath
CARDIFF
County of Cardiff
CF14 3LZ

Trustees

R W Akrill (Elder)
A J Barker (Elder)
K Batstone (Elder)
L Chorbajian (Elder)
A Christofides (Assistant Pastor and Elder) - until 31 March 2025
D E Davies (Elder)
W G Evans (Elder)
A W Hughes (Pastor)
N Munday (Assistant Pastor and Elder) - appointed 18 May 2024
K J Orchard (Elder)
M S Packnianather (Elder) - appointed March 2024
P W Tench (Elder)

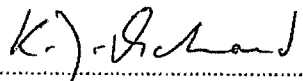
The following Trustees stood down October 2024:

T Cross (Deacon)
A Denton (Deacon)
M Forde (Deacon)
J Gigg (Treasurer)
G Grizelle (Deacon)
R Hate (Secretary)
A Jones (Deacon)
J G Jones (Deacon)
J Musty (Deacon)
C Prothero (Deacon)
M J Pugh (Deacon)
G R Roberts (Deacon)
G Seymour (Deacon)

Independent Examiner

MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

Approved by order of the Board of Trustees on 24 March 2025 and signed on its behalf by:


K J Orchard – Elder and Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HEATH EVANGELICAL CHURCH**

Independent examiner's report to the trustees of Heath Evangelical Church

I report to the charity trustees on my examination of the accounts of Heath Evangelical Church (the Trust) for the year ended 31 December 2024.

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.

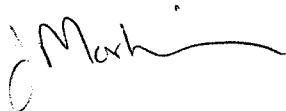
Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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 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
MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
CARDIFF
CF23 8RS

Date: 27 March 2025

HEATH EVANGELICAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	420,118	143,580	563,698	568,244
Charitable activities					
The promotion of Christianity	5	36,166	-	36,166	33,043
Coffee shop		61,539	-	61,539	61,958
Investment income	4	9,509	504	10,013	5,587
Other income		<u>7,838</u>	<u>-</u>	<u>7,838</u>	<u>3,248</u>
Total		<u>535,170</u>	<u>144,084</u>	<u>679,254</u>	<u>672,080</u>
EXPENDITURE ON					
Charitable activities					
The promotion of Christianity	6	433,101	150,109	583,210	543,605
Coffee shop		<u>73,865</u>	<u>6,664</u>	<u>80,529</u>	<u>80,904</u>
Total		<u>506,966</u>	<u>156,773</u>	<u>663,739</u>	<u>624,509</u>
NET INCOME/(EXPENDITURE)		28,204	(12,689)	15,515	47,571
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,287,977</u>	<u>58,849</u>	<u>2,346,826</u>	<u>2,299,255</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,316,181</u></u>	<u><u>46,160</u></u>	<u><u>2,362,341</u></u>	<u><u>2,346,826</u></u>

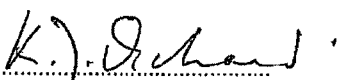
The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

BALANCE SHEET 31 DECEMBER 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	12	1,853,415	-	1,853,415	1,843,892
CURRENT ASSETS					
Debtors	13	20,049	2,383	22,432	24,465
Cash at bank and in hand		<u>450,432</u>	<u>43,777</u>	<u>494,209</u>	<u>486,821</u>
		470,481	46,160	516,641	511,286
CREDITORS					
Amounts falling due within one year	14	(7,715)	-	(7,715)	(8,352)
NET CURRENT ASSETS		<u>462,766</u>	<u>46,160</u>	<u>508,926</u>	<u>502,934</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,316,181</u>	<u>46,160</u>	<u>2,362,341</u>	<u>2,346,826</u>
NET ASSETS		<u>2,316,181</u>	<u>46,160</u>	<u>2,362,341</u>	<u>2,346,826</u>
FUNDS	16				
Unrestricted funds				2,316,181	2,287,977
Restricted funds				<u>46,160</u>	<u>58,849</u>
TOTAL FUNDS				<u>2,362,341</u>	<u>2,346,826</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24 May 2025 and were signed on its behalf by:


K J Orghard – Elder and Trustee

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	<u>17,641</u>	<u>29,529</u>
Net cash provided by operating activities		<u>17,641</u>	<u>29,529</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,266)	-
Interest received		<u>10,013</u>	<u>5,587</u>
Net cash (used in)/provided by investing activities		<u>(10,253)</u>	<u>5,587</u>
Change in cash and cash equivalents in the reporting period		7,388	35,116
Cash and cash equivalents at the beginning of the reporting period		<u>486,821</u>	<u>451,705</u>
Cash and cash equivalents at the end of the reporting period		<u>494,209</u>	<u>486,821</u>

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

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

	2024 £	2023 £
Net income for the reporting period (as per the Statement of Financial Activities)	15,515	47,571
Adjustments for:		
Depreciation charges	10,743	4,421
Interest received	(10,013)	(5,587)
Decrease/(increase) in debtors	2,033	(16,650)
Decrease in creditors	(637)	(226)
Net cash provided by operations	<u>17,641</u>	<u>29,529</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/24 £	Cash flow £	At 31/12/24 £
Net cash			
Cash at bank and in hand	<u>486,821</u>	<u>7,388</u>	<u>494,209</u>
	<u>486,821</u>	<u>7,388</u>	<u>494,209</u>
Total	<u>486,821</u>	<u>7,388</u>	<u>494,209</u>

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. STATUTORY INFORMATION

Heath Evangelical Church 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 charity's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to advance the Christian faith, to relieve sickness and financial hardship and to preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Pastors, Elders and Church Council from time to time may think fit.

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.

There have been no material departures from Financial Reporting Standard 102.

Going concern

In light of the charity's free reserves held and cash flow management, no material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

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 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 includes income received from camps, coffee shop and similar sources. 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. Such income is only deferred when the amounts received are in advance of the performance of the service to which it relates.

Investment income is recognised on a receivable basis.

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.

2. ACCOUNTING POLICIES - continued

EXPENDITURE

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.

ALLOCATION AND APPORTIONMENT OF COSTS

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff costs, finance costs, general office and premises costs, and governance costs which support the activities of the charity. These costs have been allocated to charitable activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Financial instruments

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

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.

TANGIBLE FIXED ASSETS

Fixed assets are capitalised at cost.

The charity has previously adopted a policy of revaluing its freehold property to fair value, however advantage has been taken of the transitional exemptions of FRS 102 and the previous revalued amount is now being treated as deemed 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:

Manse	- 2% on cost
Improvements to Manse	- 10% on cost
Fixtures, fittings and contents	- 25% on cost
Motor vehicles	- 25% on reducing balance
Equipment	- 25% on cost

Depreciation is not charged on the church hall and annexe building as the building is a historic church where a contribution to knowledge and culture is ancillary to faith akin to a heritage asset. The Church Council are committed to ensuring they are maintained to a high standard.

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.

Designated funds are created for specific purposes at the discretion of the trustees.

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2024

2. ACCOUNTING POLICIES - continued

FUND ACCOUNTING

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

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Offerings, covenants, gift aid & other donations	395,652	401,351
Missionary support	118,146	141,493
Welsh Government - Homes for Ukraine Scheme	2,900	5,400
Legacies	47,000	20,000
	<u>563,698</u>	<u>568,244</u>

4. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	<u>10,013</u>	<u>5,587</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024	2023
		£	£
Camps income	The promotion of Christianity	35,316	33,043
House party fees	The promotion of Christianity	850	-
Coffee shop income	Coffee shop	<u>61,539</u>	<u>61,958</u>
		<u>97,705</u>	<u>95,001</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
The promotion of Christianity	552,810	30,400	583,210
Coffee shop	<u>80,529</u>	<u>-</u>	<u>80,529</u>
	<u>633,339</u>	<u>30,400</u>	<u>663,739</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Staff costs	178,896	184,653
Staff expenses	5,362	3,412
Insurance, fire and security	11,683	8,551
Missionary support	150,060	163,026
Telephone	2,172	853
Sundries	17,260	5,887
Support to Heath Christian Bookshop Trust	13,135	9,613
Discretionary grant payments	50,560	41,146
Heat, light & water rates	41,954	29,042
Repairs and maintenance	27,154	19,224
Sunday school and youth work	1,692	1,326
Gospel Support Wales	400	2,850
Minibuses	2,281	2,107
Pulpit supply	<u>1,501</u>	<u>884</u>
Carried forward	504,110	472,574

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2024

7. DIRECT COSTS OF CHARITABLE ACTIVITIES - continued

	2024	2023
	£	£
Brought forward	504,110	472,574
Heath camps	35,058	34,664
Catering and hospitality	2,860	2,497
Magazine costs	39	1,819
Coffee shop direct costs	28,581	25,554
Coffee shop salaries and wages	42,946	42,720
Coffee shop social security	2,527	2,370
Coffee shop pensions	1,818	1,855
Coffee shop heat, light & water and repairs	4,657	6,563
Media outreach	-	288
Depreciation	10,743	4,421
	<u>633,339</u>	<u>595,325</u>

Within direct costs are grants payable of £50,560. This includes:

	No.	£
Grants payable to individuals	13	29,425
Grants payable to institutions	12	21,135

Charitable Objective	Description	Individuals	Institutions	Total
		£	£	£
b	Hardship relief UK	4,850	-	4,850
a	Theological training	200	-	200
a	Evangelical Churches and other	-	21,135	21,135
a	Evangelistic activities	21,975	-	21,975
a&b	Support for former pastors	2,400	-	2,400
		<u>29,425</u>	<u>21,135</u>	<u>50,560</u>

Examples of grants awarded to institutions are as follows:

Organisation	Purpose	£
Llanishen Evangelical Church	Churches representation	5,000
Mercy Church	Churches representation	5,000
Hill Park Baptist Church	Churches representation	3,000
Grace and Truth Christian Congregation	Israel/ Gaza appeal	2,235
AECW	Churches representation	1,000
Evangelical Movement of Wales	Churches representation	1,000
Union Foundation	Churches representation	1,000
Affinity	Churches representation	1,000

In addition to the above, Support to Heath Christian Bookshop Trust includes a grant of £13,000 (2023: £9,000) for the purpose of the sale of Christian books.

HEATH EVANGELICAL CHURCH**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024****8. SUPPORT COSTS**

	Staff costs £	Other £	Governance costs £	Totals £
The promotion of Christianity	<u>18,050</u>	<u>8,570</u>	<u>3,780</u>	<u>30,400</u>

Included within support costs are independent examination fees of £3,780 (2023: £3,780).

9. TRUSTEES' REMUNERATION AND BENEFITS

The following payments were made to trustees and connected persons: -

Remuneration and benefits as employees (Gross pay and employers pension contributions):

	2024 £	2023 £
K Batstone for pastoral work	-	5,668
A W Hughes as pastor	46,539	45,450
L Chorbadjian for pastoral work	28,379	27,105
A Christofides for pastoral work	<u>37,378</u>	<u>36,700</u>

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2024 or for the year ended 31 December 2023.

10. STAFF COSTS

	2024 £	2023 £
Wages and salaries	221,354	225,855
Social security costs	12,691	12,212
Pension costs	<u>10,192</u>	<u>9,894</u>
	<u>244,237</u>	<u>247,961</u>

The average number of staff employed by the charity during the financial year amounted to 11 (2023: 13).

No employee earned more than £60,000 during the year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

11. PREVIOUS YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	360,406	207,838	568,244
Charitable activities			
The promotion of Christianity	33,043	-	33,043
Coffee shop	61,958	-	61,958
Investment income	5,587	-	5,587
Other income	3,248	-	3,248
Total	<u>464,242</u>	<u>207,838</u>	<u>672,080</u>
EXPENDITURE ON			
Charitable activities			
The promotion of Christianity	372,241	171,364	543,605
Coffee shop	74,549	6,355	80,904
Total	<u>446,790</u>	<u>177,719</u>	<u>624,509</u>
NET INCOME	17,452	30,119	47,571
RECONCILIATION OF FUNDS			
Total funds brought forward	2,270,525	28,730	2,299,255
TOTAL FUNDS CARRIED FORWARD	<u>2,287,977</u>	<u>58,849</u>	<u>2,346,826</u>

12. TANGIBLE FIXED ASSETS

	Church, hall & annexe buildings £	Manse £	Improvements to Manse £
COST			
At 1 January 2024	1,486,753	350,000	-
Additions	-	-	18,002
At 31 December 2024	<u>1,486,753</u>	<u>350,000</u>	<u>18,002</u>
DEPRECIATION			
At 1 January 2024	-	-	-
Charge for year	-	7,000	-
At 31 December 2024	-	<u>7,000</u>	-
NET BOOK VALUE			
At 31 December 2024	<u>1,486,753</u>	<u>343,000</u>	<u>18,002</u>
At 31 December 2023	<u>1,486,753</u>	<u>350,000</u>	-

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

12. TANGIBLE FIXED ASSETS - continued

	Fixtures, fittings & contents £	Motor vehicles £	Equipment £	Totals £
COST				
At 1 January 2024	30,305	19,400	41,896	1,928,354
Additions	-	-	2,264	20,266
At 31 December 2024	30,305	19,400	44,160	1,948,620
DEPRECIATION				
At 1 January 2024	29,242	18,667	36,553	84,462
Charge for year	574	183	2,986	10,743
At 31 December 2024	29,816	18,850	39,539	95,205
NET BOOK VALUE				
At 31 December 2024	489	550	4,621	1,853,415
At 31 December 2023	1,063	733	5,343	1,843,892

Depreciation is not charged on the church hall and annexe building as the building is a historic church where a contribution to knowledge and culture is ancillary to faith. The Church Council are committed to ensuring they are maintained to a high standard.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Gift aid recoverable	8,373	10,051
Prepayments and accrued income	14,059	14,414
	<u>22,432</u>	<u>24,465</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Taxation and social security	-	1,699
Other creditors	7,715	6,653
	<u>7,715</u>	<u>8,352</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024 £	2023 £
Within one year	1,657	1,657
Between one and five years	3,729	5,386
	<u>5,386</u>	<u>7,043</u>

The total lease payments recognised as an expense in the year amounted to £1,699 (2023: £1,736).

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

16. MOVEMENT IN FUNDS

	At 1/1/24 £	Net movement in funds £	Transfers between funds £	At 31/12/24 £
Unrestricted funds				
General fund	395,220	106,820	(189,274)	312,766
Missionary fund - designated	-	(19,008)	19,008	-
Legacy fund	48,865	(48,865)	-	-
Fixed Asset Fund	1,843,892	(10,743)	20,266	1,853,415
Car parking land	-	-	100,000	100,000
Essential property works	-	-	50,000	50,000
	<u>2,287,977</u>	<u>28,204</u>	<u>-</u>	<u>2,316,181</u>
Restricted funds				
Missionary fund	38,849	(12,689)	-	26,160
Camps fund	20,000	-	-	20,000
	<u>58,849</u>	<u>(12,689)</u>	<u>-</u>	<u>46,160</u>
TOTAL FUNDS	<u>2,346,826</u>	<u>15,515</u>	<u>-</u>	<u>2,362,341</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	535,170	(428,350)	106,820
Missionary fund - designated	-	(19,008)	(19,008)
Legacy fund	-	(48,865)	(48,865)
Fixed Asset Fund	-	(10,743)	(10,743)
	<u>535,170</u>	<u>(506,966)</u>	<u>28,204</u>
Restricted funds			
Missionary fund	118,649	(131,338)	(12,689)
Coffee shop fund	6,664	(6,664)	-
Special appeals, collections and other giving	13,771	(13,771)	-
Contribution to salaries	5,000	(5,000)	-
	<u>144,084</u>	<u>(156,773)</u>	<u>(12,689)</u>
TOTAL FUNDS	<u>679,254</u>	<u>(663,739)</u>	<u>15,515</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/23 £	Net movement in funds £	Transfers between funds £	At 31/12/23 £
Unrestricted funds				
General fund	372,875	42,337	(19,992)	395,220
Missionary fund - designated	-	(19,992)	19,992	-
Legacy fund	48,865	-	-	48,865
Gospel Support Wales	472	(472)	-	-
Fixed Asset Fund	<u>1,848,313</u>	<u>(4,421)</u>	<u>-</u>	<u>1,843,892</u>
	2,270,525	17,452	-	2,287,977
Restricted funds				
Missionary fund	28,730	10,119	-	38,849
Camps fund	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	<u>28,730</u>	<u>30,119</u>	<u>-</u>	<u>58,849</u>
TOTAL FUNDS	<u><u>2,299,255</u></u>	<u><u>47,571</u></u>	<u><u>-</u></u>	<u><u>2,346,826</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	464,242	(421,905)	42,337
Missionary fund - designated	-	(19,992)	(19,992)
Gospel Support Wales	-	(472)	(472)
Fixed Asset Fund	<u>-</u>	<u>(4,421)</u>	<u>(4,421)</u>
	464,242	(446,790)	17,452
Restricted funds			
Missionary fund	181,483	(171,364)	10,119
Coffee shop fund	6,355	(6,355)	-
Camps fund	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	<u>207,838</u>	<u>(177,719)</u>	<u>30,119</u>
TOTAL FUNDS	<u><u>672,080</u></u>	<u><u>(624,509)</u></u>	<u><u>47,571</u></u>

Designated funds

The missionary fund has been set up to deal with income which has been designated by the Church for missionary work.

The fixed asset fund represents the net book value of the tangible fixed assets.

The legacy fund was set up in 2021 following the receipt of a new legacy in the prior 2021 financial year of £101,012. The Trustee Board set aside the funds to segregate for internally agreed use, including covering salary costs for the new Assistant Pastor who took up post in February 2022. The remainder of this fund was fully utilised in 2024.

A new designated fund of £100,000 was approved by the trustees in the year to set aside funds for a potential opportunity to acquire land close to the church for car parking facilities.

A new designated fund of £50,000 was approved by the trustees in the year for planned essential property works identified by the property committee.

16. MOVEMENT IN FUNDS - continued

Restricted funds

The missionary fund exists to provide financial support to church missionaries in various parts of the world. It is maintained by donations received.

The coffee shop support fund represents specific donations and the associated gift aid on donations given directly to support the coffee shop.

Other special appeals, collections and giving - restricted as applicable to the relevant appeal, collection or giving.

Camps fund - a legacy of £20,000 was received towards the end of 2023 to be used by the church to allow children to attend the various church camps. No spend was incurred on this fund in 2024.

Prior year only

The Gospel Support Wales fund was set up using a legacy fund received during 2016. The fund was used to support missionary activity within Wales and the rest of the UK.

TRANSFERS BETWEEN FUNDS

A transfer of £20,266 was made from the general fund to the designated fixed asset fund in respect of fixed asset additions in the year.

The Church designated £19,008 of unrestricted income to be used for Missionary work.

During the year the trustees approved two new designated funds:

1. Car parking land opportunity £100,000
2. Essential property works £50,000

Prior year

The Church designated £19,992 of unrestricted income to be used for Missionary work.

17. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributes to individual stakeholder pensions. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions due to the employees of the charity and amounted to £10,192 (2023: £9,894). Outstanding contributions at the year end amounted to £Nil (2023: £Nil).

18. RELATED PARTY DISCLOSURES

The charity is connected with the Heath Christian Bookshop Trust in that it has trustees in common. During the year, financial support of £13,135 (2023: £9,613) was given of which £13,000 (2023: £9,000) is from the Church and £135 (2023: £613) is restricted gifts including tax refunds. There was no balance outstanding at the year end.

O Batstone (son of a trustee) received a grant of £600 (2023: £1,200) as a restricted gift along with £150 (2023: £100) for speaking engagements within the Church.

G Jones (son of a trustee) received support costs of £2,144 (2023: £4,145) which was funded via restricted donations received by the Church.

During the year the charity received a legacy of £47,000 from a close family member of a trustee.

The total unconditional donations made to the charity by its trustees amounted to £67,085 (2023: £52,673). In addition, several trustees made donations restricted to providing support to Church missionaries totalling £13,793 (2023: £14,916).

The total employment benefits of trustees and key management personnel of the charity were £123,289 (2023: £125,710).

HEATH EVANGELICAL CHURCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Offerings, covenants, gift aid & other donations	395,652	401,351
Missionary support	118,146	141,493
Welsh Government - Homes for Ukraine Scheme	2,900	5,400
Legacies	<u>47,000</u>	<u>20,000</u>
	563,698	568,244
Investment income		
Deposit account interest	10,013	5,587
Charitable activities		
Camps income	35,316	33,043
Coffee shop income	61,539	61,958
House party fees	<u>850</u>	<u>-</u>
	97,705	95,001
Other income		
Miscellaneous income	<u>7,838</u>	<u>3,248</u>
Total incoming resources	679,254	672,080
EXPENDITURE		
Charitable activities		
Wages	178,896	184,653
Staff expenses	5,362	3,412
Insurance, fire and security	11,683	8,551
Missionary support	150,060	163,026
Telephone	2,172	853
Sundries	17,260	5,887
Support to Heath Christian Bookshop Trust	13,135	9,613
Discretionary grant payments	50,560	41,146
Heat, light & water rates	41,954	29,042
Repairs and maintenance	27,370	19,224
Sunday school and youth work	1,692	1,326
Gospel Support Wales	400	2,850
Minibuses	2,281	2,107
Pulpit supply	1,501	884
Heath camps	35,058	34,664
Catering and hospitality	2,860	2,497
Magazine costs	39	1,819
Coffee shop direct costs	28,581	25,554
Coffee shop salaries and wages	42,946	42,720
Coffee shop social security	2,527	2,370
Coffee shop pensions	1,818	1,855
Coffee shop heat light & water	4,441	6,563
Media outreach	-	288
Depreciation of tangible fixed assets	<u>10,743</u>	<u>4,421</u>
	633,339	595,325

This page does not form part of the statutory financial statements

HEATH EVANGELICAL CHURCH

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 £	2023 £
Support costs		
Staff costs		
Wages	16,250	14,820
Social security	987	802
Pensions	<u>813</u>	<u>741</u>
	18,050	16,363
Other		
Advertising	1,578	1,074
Heat, light & water rates	424	293
Insurance, fire and security	1,298	950
Repairs and maintenance	559	392
Postage and stationery	2,325	3,807
Flowers and wreaths	452	733
Legal and professional fees	522	614
Bank charges	<u>1,412</u>	<u>1,178</u>
	8,570	9,041
Governance costs		
Independent examination fees	<u>3,780</u>	<u>3,780</u>
Total resources expended	<u>663,739</u>	<u>624,509</u>
Net income	<u><u>15,515</u></u>	<u><u>47,571</u></u>

This page does not form part of the statutory financial statements

Accounts

REGISTERED CHARITY NUMBER: 1118052

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
HEATH EVANGELICAL CHURCH**

MHA
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

HEATH EVANGELICAL CHURCH

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their report with the financial statements of the charity for the year ended 31 December 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 objects of the charity (taken from the Governing Document) are:

- a) to advance the Christian faith in accordance with the Statement of Doctrines referred to in Schedule 1 and Schedule 2 of the governing document in such ways and in such parts of the United Kingdom or the rest of the world as the Pastor and Elders from time to time may think fit.
- b) as subsidiary to (a) above (and only as subsidiary) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Church Council from time to time may think fit.

Activities and meetings (including those for public benefit)

The following meetings and activities are open to non-members as well as members of the Church. Many of the meetings are attended by the public, particularly those in the local community:

SUNDAY

Morning Prayer Meeting
CHURCH SERVICE 10.45am
Morning Sunday Schools (Church Hall & Annexe)
CHURCH SERVICE 6.00 pm
Informal Fellowship Meeting (Church Hall)

MONDAY

Missionary Prayer Meeting
Home Bible Study Groups (first Monday of the month)
Young Persons Bible Study

TUESDAY

Seniors Coffee Morning (one2two)
International Ladies' Bible Study (one2two)
Music & Movement (Church Hall)

WEDNESDAY

Women's Bible Class (Church Hall)
BIBLE STUDY & PRAYER MEETING (Church Hall)
7.30pm

THURSDAY

International Students Bible Study
Toddler Group (term-time Church Hall)
Warm Bank (Annexe)
Men's Reading Group - monthly (one2two)

FRIDAY

Youth Bible Study 11-18 years (Annexe)
Youth Activity Meetings
 4-11 years (Church Hall)
 11-18 years (Church Hall)
Open House for Internationals (one2two)
Seniors' Lunch (first Friday of the month)

SATURDAY

Ladies Reading Group monthly (one2two)

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTIVES AND ACTIVITIES

Significant activities

- The Church allows the Annexe building to be used as a polling station in local/general elections and as an emergency facility for a neighbouring school. Other Churches, organisations and individuals occasionally made use of Church facilities by arrangement when there was availability and where those activities were in line with the Church constitution.
- The sick, needy and dying (members and non-members) are supported and practical help. These may be visits to private homes, care homes, hospices or hospitals.
- Weddings and funerals are conducted on the Church premises (members and non-members).
- The Church raises funds for the relief of suffering in parts of the world that experience great hardship e.g. through natural disasters.
- The Church employs a full time worker to lead the International Student Work, support the young people's work and provide pastoral care for young men.
- The Church also employs a full time Women's Worker to engage in care and discipleship work as well as evangelism among women of all ages.

Access

The aforementioned activities are for the use and participation of all in the community. In order to give as wide an access as possible, the following are provided:

- Physical access to the church buildings complies with the requirements of the Equality Act 2010.

Strategies adopted and activities undertaken to achieve the objects of the charity

In order to further the opportunities to engage the community in the meetings, activities and events of the Church, and to wisely review what is currently done, the following are employed:

- Prayer (specific prayer groups, corporate prayer and personal prayer).
- Personal conversation and invitation.
- Advertising and publicity (specialist church newspapers, flyers and leaflets in the community were distributed, church magazine, notices and announcements at public church meetings).
- Website information, downloads and opportunity for e-mail contact with the Church. The Church has Facebook, Twitter pages and a YouTube channel.
- Video Streaming: Every Sunday, both Morning and Evening Services are available as a 'live stream' (via YouTube) to anyone who has access to the internet. The broadcasts include hymn singing, Bible reading, prayer and sermon.
- Seeking information and advice from relevant individuals, churches and organisations about the spiritual and practical needs of missions, groups and individuals on a case by case basis.
- The Elders and Church Council have regular meetings which function in a manner that monitors and reviews the activities and objects of the church.

How the Church measured success in the reporting period

The Elders and Church Council are conscious that it is only in eternity that we will see what the Lord has been doing amongst us. However, we in no way wish to use this as an excuse to abrogate our responsibilities and, whilst holding on to the principle that it is His work, not ours, we endeavour to be faithful stewards. As such we look to see the Gospel preached, church members and all others worshipping and fellowshiping with us taught and ministered to, and any facing hardship looked after in practical ways. This report sets out financial information which provides some limited insights into our "success". Other numerical information such as our membership roll, numbers of those attending our meetings and services and "footfall" in our café and the linked Heath Christian Bookshop can be helpful, but our main litmus test is the prayer meeting, the Power House of the Church, and even then not in numbers of those attending; the real test is whether we are attending on the Throne of Grace, and our success or otherwise in appealing for God's help in all we seek to do in His Name. We covet more of His Presence and, whilst we are not ungrateful for the wonders we see Him doing in individual lives, we long for greater blessing through an outpouring of His Spirit.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTIVES AND ACTIVITIES

Grant making

The Church makes discretionary grants to individuals and institutions. Such support is focused on the following categories:

- Theological training for ministerial students and others
- "Our Missionaries" - Christian workers sent out by the Heath Church
- Other missionaries
- Pastors
- Christian workers
- People in financial hardship

The size and duration of grants are considered at the discretion of the elders and recommended to Church Council for approval. In particular we support missionaries and other Christian workers who have been commissioned by our Church. We only provide such support to individuals and organisations whose beliefs and practices fit with Church's aims and objectives. On occasions we also provide humanitarian aid as well as helping in cases of individual financial hardship. Generally, this will be either given directly to beneficiaries or channelled through a trusted intermediary church or other organisation.

Volunteers

The charity's different activities are run mainly by volunteers, most of whom are members of the church.

The many and varied activities of the Church are made possible by the voluntary work of members. Members give their unpaid time to such activities as Sunday school and Bible Classes, Youth and Children's Clubs, audio Ministry, website maintenance, stewarding duties, Church Magazine contributions and editing, and visiting the sick and needy.

Individual members hold specific posts voluntarily. These include the Treasurers (Church and Missionary), Gift Aid Administrator, Church Secretary, Secretary to the Elders, DBS Administrator, Health and Safety Officer, Chief Steward and Minibus Keeper. Volunteers help to produce leaflets for evangelism and the bimonthly prayer diary. This list is not exhaustive, but it gives a flavour of the breadth of voluntary work. It is impossible to quantify the hours per annum, but it runs into the tens of thousands.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

(Referenced to the two main objects (a) and (b) of the charity)

The Church met for worship throughout the year, twice on Sunday and throughout the week for prayer, Bible study and activities for young and old. (a)

- The Pastor preached on the majority of Sundays; the Pastor did not preach for us on the last Sunday of each month. Our Assistant Pastor, Andy Christofides preached on 15 occasions. Our trainee pastor, Nathan Munday, preached on 8. Visiting preachers throughout the year were: Dave Gobbett (Highfields - Cardiff), Marcus Nelson (St Mark's - Cardiff), James Allan (Dowlais), James Sibley (Bridgend), Eryl Davies (Church Elder) and Gary McKee (Church Member). (a)
- Recordings of sermons and Bible studies were provided through the website (downloads) and YouTube page. (a)
- Christianity Explored and Life Explored courses were held (a)

Financially, the Church was able to meet all its commitments during 2023 through the continued support of its members. (a)

- The Church continued to provide financial support for the Heath Christian Bookshop Trust. (a)
- The Church owns 122 Whitchurch Road (known as "one2two") which is used as a Christian Bookshop and Coffee Shop. Additional rooms on the first floor are used as an office and a lounge for church meetings/activities. One2two is a ministry of the Church in the community. (a) (b)
- The Church runs the coffee shop in one2two and employs a coffee shop manager and supervisors. A coffee shop committee is appointed to plan, monitor, review, and report to Church Council. Volunteers along with paid staff serve and help with the day to day operations of the coffee shop. (b)
- Financial, spiritual and moral support was provided for members serving across the world in Africa, Europe, Haiti and Asia. The Church continued to support the work of one of its missionaries involved in helping to run homes for men and women with physical and/or learning disabilities in Moldova. Other missionaries were supported financially in their primary task of preaching the Gospel. We also provided help in related work including support for: UFM Worldwide seed sower project, Hope for the Valleys, Eglwys Efengylaidd Ardduw, Janet and Lucy Hodges and Paul Daniel. The Church has provided the manse as accommodation for a Ukrainian family of six. (a) (b)
- Special collections were made for Turkey earthquake, Malawi cyclone, Manipur, Israel/Gaza conflict and Christmas for work with children in Haiti and Eastern Europe. (b)
- The Church continued to administer a fund for the relief of financial hardship experienced by individual members and non-members. (b)
- From September, the Church provided the opportunity for the training and development of two "apprentices". Partial financial support was also provided, although the majority of their expenses were provided by donors. This training will continue until the end of August 2024. (a)
- The Church continued to employ an administrative assistant to enable the Church office to be open for 5 hours 4 days per week and to help with the efficient running of the Church. (a) (b)

A weekly coffee morning is run to foster fellowship and counter loneliness for seniors within the local community. (a) (b)

Christian talks in morning assemblies for local schools are provided as requested (a)

The Church continued to edit and publish a bi-monthly magazine for distribution (both electronically and in print) to members and other interested parties. (a)

The Church website, YouTube page and social media accounts continued to be a useful tool for providing information worldwide and welcoming electronic contact from website visitors. (a)

Hospitality was provided to those in need. (b)

A Warm Bank was held for one day each week (from October to the following March) (b)

Regular outreach to residential care establishments included Bethel House, Lakeside and Ty Coch residential homes. (a)

Progress the Church has made against its objectives

Wednesday evening meetings involve a Bible study, a time of prayer, and opportunities to present a review of progress by the members of the congregation involved in various activities of the Church.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Members are encouraged to bring questions or matters of concern to the trustees. The Elders consider all points raised and respond as they deem appropriate, keeping other trustees informed at monthly meetings of the full Church Council.

The Elders assess progress on a continual basis at their regular Tuesday evening meetings and bring everything to the Lord in prayer, feeding back to the congregation through individual letters, the bi-monthly Church magazine and announcements in the Sunday and other services.

Positive and negative factors that affected the achievement of objectives and how future plans are affected

We have been blessed with a Pastor and Assistant Pastor who have been enabled to preach to us and teach us in thoughtful and helpful ways. Through this ministry we are seeing new individuals brought to a saving knowledge of Christ, and Christians growing spiritually.

As well as benefiting from the ministry, there are many members who are actively engaged in the work, mostly unpaid but some paid, as teachers, helpers, evangelists, cleaners, book and coffee shop assistants, missionaries, encouragers and youth workers. We are grateful for the tireless efforts of so many who, in His name give willingly of their time to run these activities - and those also who work so hard behind the scenes to make sure that the environment is safe and suitable in many other ways for these things to continue. Our God is good.

Principal risks and uncertainties

Financially, the Church has faced a difficult 2023. At the AGM in May 2023, the Treasurer presented a bleak picture as to the finances at that time. The response from the membership was magnificent, and this, together with prudent control on the expenditure, meant that the church ended the year in a very strong position. The trustees have agreed that the reserves should not be less than £100,000 at any time, and this can be used in any future extreme situation to offset the deficit between income and expenditure whilst remedial action is taken again to alleviate the situation.

Property maintenance during 2023

Routine inspection, servicing, and cyclic maintenance work has progressed during the year in order to satisfy safety and statutory obligations. Day to day maintenance and some unexpected repairs, including remedial works in one2two, have been dealt with.

On several occasions mains drainage problems in Whitchurch Road resulted in foul water rising in the Coffee Shop resulting in closures and subsequent cleaning and reinstatement work. Dwr Cymru/Welsh Water has monitored the situation and implemented major work in the street to improve the main sewer. A claim for compensation was made via the Church Insurers, and the costs incurred by the Church were met in full by Dwr Cymru/Welsh Water.

With only a base budget allocated for 2023, a number of significant planned maintenance items were deferred. These including painting the external woodwork of the Hall, renewing the boiler room roof structure, and re-rendering the rear of one2two. It will be necessary to undertake these works as soon as resources permit otherwise the deterioration of the structures will put the assets at risk. It is anticipated that Property Committee will be able to move forward with these items during 2024.

As reported annually, at some point in the future there will be a major financial requirement for complete re-roofing of the main church building and for repainting the ceiling.

FINANCIAL REVIEW

Financial position

The Statement of Financial Activities reports a net surplus for the financial year of £47,571 (2022 - net deficit £13,152).

The financial position for the Church has shown a staggering turnaround since the AGM in May 2023. In particular, church general donations have risen to £395,868 compared to £297,357 in the prior year, an increase of £98,511. Overall, the donations to the Church and Missionary account show an increase of £92,100.

During the financial year the Church received a legacy donation of £20,000. The donation was restricted to be used to support the various camps.

The coffee shop continued to run at a deficit but has shown a significant improvement over 2022. Direct coffee shop income reported at £61,958 with an additional sum of £6,355 received by way of restricted donations. Coffee shop expenditure reported at £80,904 including salary costs and overheads, resulting in a deficit of £12,591 (2022 - net deficit - £18,938).

Camps generated an income of £33,043 with costs of £34,664 which meant a deficit of £1,621 (2022 - net deficit £5,408).

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL REVIEW

Principal funding sources

The Church's income takes the form of regular giving via the Church website, and also directly into the Church's bank accounts. The donation boxes in the foyer have also been re-opened and have proved to be a significant source of income.

Income from offerings, gift aid and the missionary account was £542,844 compared with £448,165 in 2022 (legacies excluded). Missionary income from donations was £141,493 (2022 - £147,905). The decrease in missionary giving is not a concern. In previous years donations from appeals were handled via the missionary bank account but this practice was changed in 2023.

Total income for the year is reported at £672,080 including a legacy donation of £20,000 compared to £651,388 in 2022 which included a legacy donation of £110,360. The overall increase in income is due to the wonderful response of the membership when faced with the dire financial situation reported by the Treasurer at the AGM in May 2023.

The coffee shop generated income of £61,958 compared to £57,776 in the prior year and camps £33,043 compared to £29,810.

Despite the remarkable recovery in 2023 and the answer to many prayers that "The Lord will provide", it is incumbent upon the Church that we remain as wise stewards of the money. It is unknown whether the increased giving will continue in 2024 as the increased donations may have been a response to a particular set of circumstances. Day-to-day expenses should be paid from current income. The significant reserves should be used wisely and profitably for the Lord's service.

Reserves policy

The total funds held at the year end stand at £2,346,826 (2022: £2,299,255), of which £58,849 is restricted. However, of this amount the Church has designated funds of £1,892,757 leaving free reserves of £395,220.

Included within designated funds are the following:

- Fixed asset fund of £1,843,892 equal to the net book value of the fixed assets held.
- Legacy fund of £48,865 set aside to primarily cover the salary costs of the Assistant Pastor.

The trustees consider that reserves should not be less than £100,000 at any time. This is a relatively modest value compared with the income and expenditure flows. However, at present, free reserves held of £395,220 are considerably in excess of £100,000.

The 2023 financial statements show a surplus for the year of £47,571. As clearly noted under the financial review section, the trustees are mindful to the unknown of whether the increased giving will continue in 2024 and the continued need to manage the reserves held accordingly.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Heath Evangelical Church is constituted as a charitable trust whose governing document is its constitution and trust deed.

Organisational structure

All decisions relating to the spiritual oversight and overall direction of the Church are taken by the Pastor and Elders. All other decisions are made by the Church Council which consists of the Pastor, Elders, Deacons and Church officers.

Appointment of Pastor

The Pastor is elected by the admitted members of the Church by a special resolution passed at a Church meeting.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Election of Elders

Instruction is given to Church members concerning the biblical qualifications of an Elder. Members of the congregation are invited to suggest to the Elders names for consideration. From the names suggested to them, and any others the Elders may consider suitable, the Elders recommend nominees to the Church members, based on the needs of the Church at that time. Their names are then presented to a meeting of Church members called to elect Elders. Those receiving the votes of at least two thirds of the members present and voting are considered duly elected. Those elected are approached by the Pastor and Elders and invited to accept the office. Those persons duly elected as Elders are recognised at an Ordination Service.

Elders are elected for life, or as long as they continue to be members of the church, or until they resign, or until they are removed from office, whichever is the earlier. At least every seven years, a recommendation is placed before the Church members for an election of Elders to be arranged. Should this recommendation be supported by at least two thirds of those present and voting, the necessary arrangements are made.

Election of Deacons

Deacons are elected to office by a meeting of the Church. They are elected from those who have been members of the Church for over three years. Vacancies in the Diaconate are filled by those nominations obtaining the largest number of votes at a Church meeting, provided they receive a minimum of one third of those present and voting. Nominations for election are submitted to the Church Secretary and signed by the proposer, seconder and nominee. All must be members of the Church.

Induction and training of new trustees

Any new deacon elected must have been a member of the Church for a minimum of three years. The pastor, elders, deacons, secretary and treasurer are all trustees. In practice, new trustees have been members for much longer than this. This experience is of great benefit in terms of familiarising trustees with the day to day functioning of the Church and its administrative systems. Information regarding the committees of the Church and roles of key personnel is provided in the annual Members' Directory. Trustees will have received the accounts of the Church for at least the previous three years. New trustees are provided with booklets on the roles and duties of trustees of charities, published by the Charity Commission. The Church Secretary briefs new trustees on the procedures and practices that are unique to Church Council members. The Church Constitution is provided and it gives more detailed information on procedures and practices, including the objectives of the Church.

Key management remuneration

An important pay principle in our pay policies is that our pay scales, salaries and benefits are proportionate to the complexity of role/ responsibilities. We aim to pay around the median for similar roles in similar organisations but not compete on salaries within the public or private sectors. To help us achieve this, we monitor similar charity sector pay trends through available sources.

Related parties

The charity has several trustees in common with Heath Christian Bookshop Trust and has given financial support to this organisation during the year.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Church has both a Safeguarding Policy and Safeguarding Guidelines which have been approved by and lodged with the Churches Child Protection Advisory Service. Disclosure and Barring Service (DBS) Disclosures have been sought and received for all trustees of the Church and for those who work with children and vulnerable adults in the Church. There is a rolling programme for updating / renewing these DBS Disclosures. The Health and Safety Policy has been revised to ensure compliance with current recommendations. Key personnel have been consulted and the Policy given to all relevant staff. Adaptations and improvements have been made to the Church premises to ensure compliance with the Equality Act 2010. Insurance cover was set in the light of independent advice. The trustees comply with Charity Commission advice and directives in the running of the Church.

The Church's finances are subject to external independent examination. During 2023, day to day expenditure was managed from the church income. The church reserves remained untouched and, in fact, grew during the year.

The trustees are satisfied that any major risks are being assessed and systems put in place for their mitigation.

HEATH EVANGELICAL CHURCH

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1118052

Principal address

122 Whitchurch Road
Heath
CARDIFF
County of Cardiff
CF14 3LZ

Trustees

R W Akrill (Elder)
A J Barker (Elder)
K Batstone (Elder)
L Chorbadian (Elder)
A Christofides (Assistant Pastor)
T Cross (Deacon)
D E Davies (Elder)
A Denton (Deacon)
W G Evans (Elder)
M Forde (Deacon)
J Gigg (Treasurer)
G Grizelle (Deacon)
R Hate (Secretary)
A W Hughes (Pastor)
A Jones (Deacon)
J G Jones (Deacon)
J Musty (Deacon)
K J Orchard (Elder)
M S Packnianather (Deacon)
C Prothero (Deacon)
M J Pugh (Deacon)
G R Roberts (Deacon)
G Seymour (Deacon)
P W Tench (Elder)

Independent Examiner

MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

Approved by order of the Board of Trustees on 19-MAR-2024 and signed on its behalf by:


.....
R D Hate (Trustee and Secretary)

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HEATH EVANGELICAL CHURCH**

Independent examiner's report to the trustees of Heath Evangelical Church

I report to the charity trustees on my examination of the accounts of Heath Evangelical Church (the Trust) for the year ended 31 December 2023.

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

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the ACCA, which is one of the listed bodies.

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 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
MHA (trading name of MacIntyre Hudson LLP)
Limited liability partnership in England & Wales
Registered number OC312313
CARDIFF
CF23 8RS

Date: 26 March 2023

HEATH EVANGELICAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	360,406	207,838	568,244	561,675
Charitable activities	5				
The promotion of Christianity		33,043	-	33,043	30,656
Coffee shop		61,958	-	61,958	57,776
Investment income	4	5,587	-	5,587	681
Other income		<u>3,248</u>	<u>-</u>	<u>3,248</u>	<u>600</u>
Total		<u>464,242</u>	<u>207,838</u>	<u>672,080</u>	<u>651,388</u>
EXPENDITURE ON					
Charitable activities	6				
The promotion of Christianity		372,241	171,364	543,605	584,926
Coffee shop		<u>74,549</u>	<u>6,355</u>	<u>80,904</u>	<u>79,614</u>
Total		<u>446,790</u>	<u>177,719</u>	<u>624,509</u>	<u>664,540</u>
NET INCOME/(EXPENDITURE)		17,452	30,119	47,571	(13,152)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,270,525</u>	<u>28,730</u>	<u>2,299,255</u>	<u>2,312,407</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,287,977</u></u>	<u><u>58,849</u></u>	<u><u>2,346,826</u></u>	<u><u>2,299,255</u></u>

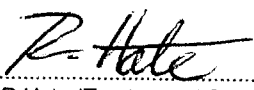
The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

BALANCE SHEET 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	12	1,843,892	-	1,843,892	1,848,313
CURRENT ASSETS					
Debtors	13	21,245	3,220	24,465	7,815
Cash at bank and in hand		<u>431,192</u>	<u>55,629</u>	<u>486,821</u>	<u>451,705</u>
		452,437	58,849	511,286	459,520
CREDITORS					
Amounts falling due within one year	14	(8,352)	-	(8,352)	(8,578)
NET CURRENT ASSETS		<u>444,085</u>	<u>58,849</u>	<u>502,934</u>	<u>450,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,287,977</u>	<u>58,849</u>	<u>2,346,826</u>	<u>2,299,255</u>
NET ASSETS		<u>2,287,977</u>	<u>58,849</u>	<u>2,346,826</u>	<u>2,299,255</u>
FUNDS	16				
Unrestricted funds				2,287,977	2,270,525
Restricted funds				<u>58,849</u>	<u>28,730</u>
TOTAL FUNDS				<u>2,346,826</u>	<u>2,299,255</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 19-MAR-2024 and were signed on its behalf by:


R D Hate (Trustee and Secretary)

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>29,529</u>	<u>(1,473)</u>
Net cash provided by/(used in) operating activities		<u>29,529</u>	<u>(1,473)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(3,388)
Interest received		<u>5,587</u>	<u>681</u>
Net cash provided by/(used in) investing activities		<u>5,587</u>	<u>(2,707)</u>
Change in cash and cash equivalents in the reporting period		35,116	(4,180)
Cash and cash equivalents at the beginning of the reporting period		<u>451,705</u>	<u>455,885</u>
Cash and cash equivalents at the end of the reporting period		<u><u>486,821</u></u>	<u><u>451,705</u></u>

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	47,571	(13,152)
Adjustments for:		
Depreciation charges	4,421	4,579
Interest received	(5,587)	(681)
(Increase)/decrease in debtors	(16,650)	7,693
Increase in creditors	(226)	88
Net cash provided by/(used in) operations	<u>29,529</u>	<u>(1,473)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/23 £	Cash flow £	At 31/12/23 £
Net cash			
Cash at bank and in hand	<u>451,705</u>	<u>35,116</u>	<u>486,821</u>
	<u>451,705</u>	<u>35,116</u>	<u>486,821</u>
Total	<u>451,705</u>	<u>35,116</u>	<u>486,821</u>

The notes form part of these financial statements

1. STATUTORY INFORMATION

Heath Evangelical Church 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 charity's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to advance the Christian faith, to relieve sickness and financial hardship and to preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Pastors, Elders and Church Council from time to time may think fit.

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.

There have been no material departures from Financial Reporting Standard 102.

Going concern

In light of the charity's free reserves held and cash flow management, no material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

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 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 includes income received from camps, coffee shop and similar sources. 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. Such income is only deferred when the amounts received are in advance of the performance of the service to which it relates.

Investment income is recognised on a receivable basis.

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.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff costs, finance costs, general office and premises costs, and governance costs which support the activities of the charity. These costs have been allocated to charitable activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Financial instruments

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

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.

Tangible fixed assets

Fixed assets are capitalised at cost.

The charity has previously adopted a policy of revaluing its freehold property to fair value, however advantage has been taken of the transitional exemptions of FRS 102 and the previous revalued amount is now being treated as deemed 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 contents	- 25% on cost
Motor vehicles	- 25% on reducing balance
Equipment	- 25% on cost

Depreciation is not charged on the properties as the Church Council are committed to ensuring they are maintained to a high standard.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued**Fund accounting**

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.

Designated funds are created for specific purposes at the discretion of the trustees.

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

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Offerings, covenants, gift aid & other donations	401,351	300,260
Missionary account	141,493	147,905
Welsh Government - Homes for Ukraine Scheme	5,400	3,150
Legacies	<u>20,000</u>	<u>110,360</u>
	<u>568,244</u>	<u>561,675</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>5,587</u>	<u>681</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Camps income	The promotion of Christianity	33,043	29,810
House party fees	The promotion of Christianity	-	846
Coffee shop income	Coffee shop	<u>61,958</u>	<u>57,776</u>
		<u>95,001</u>	<u>88,432</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
The promotion of Christianity	514,421	29,184	543,605
Coffee shop	<u>80,904</u>	<u>-</u>	<u>80,904</u>
	<u>595,325</u>	<u>29,184</u>	<u>624,509</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	184,653	176,071
Staff expenses	3,412	2,231
Insurance, fire and security	8,551	9,321
Missionary support	163,026	194,896
Telephone	853	775
Sundries	5,965	7,068
Support to Heath Christian Bookshop Trust	9,613	9,063
Discretionary grant payments	41,146	31,801
Heat, light & water rates	29,042	16,035
Repairs and maintenance	19,224	47,923
Sunday school and youth work	1,326	3,936
Gospel Support Wales	2,850	8,000
Minibuses	2,107	768
Pulpit supply	884	1,750
Heath camps	34,664	35,218
House party expenditure	-	275
Catering and hospitality	2,497	5,374
Literature costs	1,741	2,818
Coffee shop direct costs	25,554	28,553
Coffee shop salaries and wages	42,720	38,466
Coffee shop social security	2,370	2,497
Coffee shop pensions	1,855	1,743
Coffee shop heat light & water	6,563	7,702
Media outreach	288	1,061
Depreciation	4,421	4,579
	<u>595,325</u>	<u>637,924</u>

Within direct costs are grants payable of £41,146. This includes:

	No.	£
Grants payable to individuals	11	17,654
Grants payable to institutions	9	23,492

Charitable Objective	Description	Individuals	Institutions	Total
		£	£	£
b	Hardship relief UK	1,200	-	1,200
a	Theological training	1,701	-	1,701
a	Evangelical churches + AECW	-	23,492	23,492
a	Evangelistic activities	12,353	-	12,353
a&b	Support for former pastors	2,400	-	2,400
		<u>17,654</u>	<u>23,492</u>	<u>41,146</u>

Examples of grants awarded to institutions are as follows:

Organisation	Purpose	£
Embrace The Middle East	Earthquake appeal	6,976
Zamabesi Mission	Malawi project	3,016
AsiaLink	Manipur	3,785
Grace and Truth Christian Congregation	Holocaust appeal	1,067
AECW	Churches representation	1,000
EMW	Churches representation	1,000
Union Foundation	Churches representation	500
UFM Worldwide	Seed Sower project	570
Grace and Truth Christian Congregation	Israel/ Gaza appeal	5,578

In addition to the above, grant provided to Heath Christian Bookshop for the purpose of the sale of Christian book was £9,000 (2022: £9,000).

HEATH EVANGELICAL CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****8. SUPPORT COSTS**

	Staff costs £	Other £	Governance costs £	Totals £
The promotion of Christianity	<u>16,363</u>	<u>9,041</u>	<u>3,780</u>	<u>29,184</u>

Included within support costs are independent examination fees of £3,780 (2022 - £3,780).

9. TRUSTEES' REMUNERATION AND BENEFITS

The following payments were made to trustees and connected persons:

Remuneration and benefits as employees (Gross pay and employers pension contributions)

	2023 £	2022 £
K Batstone for pastoral work	5,668	7,722
A W Hughes as pastor	45,450	42,245
L Chorbadian for pastoral work	27,105	27,105
A Christofides for pastoral work	<u>36,700</u>	<u>30,454</u>

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 or for the year ended 31 December 2022.

10. STAFF COSTS

	2023 £	2022 £
Wages and salaries	225,855	212,001
Social security costs	12,212	12,075
Pension costs	<u>9,894</u>	<u>8,882</u>
	<u>247,961</u>	<u>232,958</u>

The average number of staff employed by the charity during the financial year amounted to 13 (2022: 13).

No employee earned more than £60,000 during the year.

11. PREVIOUS YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	404,989	156,686	561,675
Charitable activities			
The promotion of Christianity	30,656	-	30,656
Coffee shop	57,776	-	57,776
Investment income	681	-	681
Other income	600	-	600
Total	<u>494,702</u>	<u>156,686</u>	<u>651,388</u>
EXPENDITURE ON			
Charitable activities			
The promotion of Christianity	403,866	181,060	584,926
Coffee shop	79,614	-	79,614
Total	<u>483,480</u>	<u>181,060</u>	<u>664,540</u>
NET INCOME/(EXPENDITURE)	11,222	(24,374)	(13,152)
RECONCILIATION OF FUNDS			
Total funds brought forward	2,259,303	53,104	2,312,407
TOTAL FUNDS CARRIED FORWARD	<u>2,270,525</u>	<u>28,730</u>	<u>2,299,255</u>

12. TANGIBLE FIXED ASSETS

	Church, hall & annexe buildings £	Manse £	Fixtures, fittings & contents £
COST			
At 1 January 2023 and 31 December 2023	<u>1,486,753</u>	<u>350,000</u>	<u>30,305</u>
DEPRECIATION			
At 1 January 2023	-	-	28,668
Charge for year	-	-	574
At 31 December 2023	-	-	29,242
NET BOOK VALUE			
At 31 December 2023	<u>1,486,753</u>	<u>350,000</u>	<u>1,063</u>
At 31 December 2022	<u>1,486,753</u>	<u>350,000</u>	<u>1,637</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

12. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Equipment £	Totals £
COST			
At 1 January 2023 and 31 December 2023	<u>19,400</u>	<u>41,896</u>	<u>1,928,354</u>
DEPRECIATION			
At 1 January 2023	18,422	32,951	80,041
Charge for year	<u>245</u>	<u>3,602</u>	<u>4,421</u>
At 31 December 2023	<u>18,667</u>	<u>36,553</u>	<u>84,462</u>
NET BOOK VALUE			
At 31 December 2023	<u>733</u>	<u>5,343</u>	<u>1,843,892</u>
At 31 December 2022	<u>978</u>	<u>8,945</u>	<u>1,848,313</u>

Depreciation is not charged on the properties as the Church Council are committed to ensuring they are maintained to a high standard and it is considered that a significant proportion of the value of its property relates to land.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Gift aid recoverable	10,051	7,815
Prepayments and accrued income	<u>14,414</u>	<u>-</u>
	<u>24,465</u>	<u>7,815</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Taxation and social security	1,699	-
Other creditors	<u>6,653</u>	<u>8,578</u>
	<u>8,352</u>	<u>8,578</u>

Included within other creditors above is £Nil (2022 - £500) of deferred income. This was in relation to the early receipt of income for a weekend camp held in February 2023.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	1,657	1,366
Between one and five years	<u>5,386</u>	<u>331</u>
	<u>7,043</u>	<u>1,697</u>

The total lease payments recognised as an expense in the year amounted to £1,736 (2022: £1,366).

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

16. MOVEMENT IN FUNDS

	At 1/1/23 £	Net movement in funds £	Transfers between funds £	At 31/12/23 £
Unrestricted funds				
General fund	372,875	42,337	(19,992)	395,220
Missionary fund - designated	-	(19,992)	19,992	-
Legacy fund	48,865	-	-	48,865
Gospel Support Wales	472	(472)	-	-
Fixed Asset Fund	<u>1,848,313</u>	<u>(4,421)</u>	<u>-</u>	<u>1,843,892</u>
	2,270,525	17,452	-	2,287,977
Restricted funds				
Missionary fund / special appeals	28,730	10,119	-	38,849
Camps fund	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	<u>28,730</u>	<u>30,119</u>	<u>-</u>	<u>58,849</u>
TOTAL FUNDS	<u>2,299,255</u>	<u>47,571</u>	<u>-</u>	<u>2,346,826</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	464,242	(421,905)	42,337
Missionary fund - designated	-	(19,992)	(19,992)
Gospel Support Wales	-	(472)	(472)
Fixed Asset Fund	<u>-</u>	<u>(4,421)</u>	<u>(4,421)</u>
	464,242	(446,790)	17,452
Restricted funds			
Missionary fund / special appeals	181,483	(171,364)	10,119
Coffee shop fund	6,355	(6,355)	-
Camps fund	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	<u>207,838</u>	<u>(177,719)</u>	<u>30,119</u>
TOTAL FUNDS	<u>672,080</u>	<u>(624,509)</u>	<u>47,571</u>

16. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1/1/22 £	Net movement in funds £	Transfers between funds £	At 31/12/22 £
Unrestricted funds				
General fund	319,015	77,240	(23,380)	372,875
Missionary fund - designated	-	(19,992)	19,992	-
Legacy fund	90,012	(41,147)	-	48,865
Gospel Support Wales	772	(300)	-	472
Fixed Asset Fund	<u>1,849,504</u>	<u>(4,579)</u>	<u>3,388</u>	<u>1,848,313</u>
	2,259,303	11,222	-	2,270,525
Restricted funds				
Missionary fund	<u>53,104</u>	<u>(24,374)</u>	<u>-</u>	<u>28,730</u>
TOTAL FUNDS	<u>2,312,407</u>	<u>(13,152)</u>	<u>-</u>	<u>2,299,255</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	494,502	(417,262)	77,240
Missionary fund - designated	-	(19,992)	(19,992)
Legacy fund	-	(41,147)	(41,147)
Gospel Support Wales	200	(500)	(300)
Fixed Asset Fund	<u>-</u>	<u>(4,579)</u>	<u>(4,579)</u>
	494,702	(483,480)	11,222
Restricted funds			
Missionary fund	153,048	(177,422)	(24,374)
Coffee shop fund	<u>3,638</u>	<u>(3,638)</u>	<u>-</u>
	156,686	(181,060)	(24,374)
TOTAL FUNDS	<u>651,388</u>	<u>(664,540)</u>	<u>(13,152)</u>

Designated funds

The missionary fund has been set up to deal with income which has been designated by the Church for missionary work.

The Gospel Support Wales fund was set up using a legacy received during 2016. The fund is used to support mission activity within Wales and the rest of the UK.

The fixed asset fund represents the net book value of the tangible fixed assets.

The legacy fund was set up in 2021 following the receipt of a new legacy in the prior 2021 financial year of £101,012. The Trustee Board set aside the funds to segregate for internally agreed use, including covering salary costs for the new Assistant Pastor who took up post in February 2022. No spend has been allocated to this fund during 2023 as an increase in general giving levels has allowed the costs to be covered out of general funds. However, an extension has been made to the Assistant Pastor's contract and the fund is anticipated to be used in 2024.

Restricted funds

The missionary /special appeals fund exists to provide financial support to church missionaries in various parts of the world and for giving to specific appeal causes. It is maintained by donations received.

16. MOVEMENT IN FUNDS - continued

The coffee shop support fund represents specific donations and the associated gift aid on donations given directly to support the coffee shop.

A legacy of £20,000 was received towards the end of 2023 to be used by the church to allow children to attend the various church camps.

Transfers between funds

The Church designated £19,992 of unrestricted income to be used for Missionary work. This amount was spent during the year.

Prior year

A transfer of £3,388 was made from the general fund to the designated fixed asset fund in respect of fixed asset additions in the year.

The Church designated £19,992 of unrestricted income to be used for Missionary work. This amount was spent during 2022.

17. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributes to individual stakeholder pensions. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions due to the employees of the charity and amounted to £9,894 (2022: £8,882). Outstanding contributions at the year end amounted to £Nil (2022: £Nil).

18. RELATED PARTY DISCLOSURES

The charity is connected with the Heath Christian Bookshop Trust in that it has trustees in common. During the year, financial support of £9,613 (2022: £9,063) was given of which £9,000 (2022: £9,000) is from the Church and £613 (2022: £63) is restricted gifts including tax refunds. There was no balance outstanding at the year end.

O Batstone (son of a trustee) received a grant of £1,200 (2022: £1,200) as a restricted gift along with £100 (2022: £100) for speaking engagements within the Church.

G Jones (son of a trustee) received support costs of £4,145 (2022: £2,138) which was funded via restricted donations received by the Church.

The total unconditional donations made to the charity by its trustees amounted to £52,673 (2022: £37,710). In addition, several trustees made donations restricted to providing support to Church missionaries totalling £14,916 (2022: £12,630).

The total employment benefits of trustees and key management personnel of the charity were £125,710 (2022: £117,809).

Accounts

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
HEATH EVANGELICAL CHURCH**

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

HEATH EVANGELICAL CHURCH

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. 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 objects of the charity (taken from the Governing Document) are:

- a) to advance the Christian faith in accordance with the Statement of Doctrines referred to in Schedule 1 and Schedule 2 of the governing document in such ways and in such parts of the United Kingdom or the rest of the world as the Pastor and Elders from time to time may think fit.
- b) as subsidiary to (a) above (and only as subsidiary) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Church Council from time to time may think fit.

Activities and meetings (including those for public benefit)

The following meetings and activities are open to non-members as well as members of the Church. Many of the meetings are attended by the public, particularly those in the local community:

SUNDAY

CHURCH SERVICE 10.45am
Morning Sunday Schools (Church Hall & Annexe)
CHURCH SERVICE 6.00 pm
Informal Fellowship Meeting (Church Hall)

MONDAY

Missionary Prayer Meeting (Lecture Room)
Home Bible Study Groups 7.30pm (first Monday of the month)

TUESDAY

Seniors Coffee Morning (one2two)
International Ladies' Bible Study (one2two)
Music & Movement (Church Hall)

WEDNESDAY

Women's Bible Class (Church Hall)
BIBLE STUDY & PRAYER MEETING (Church Hall)
7.30pm

THURSDAY

Toddler Group (term-time Church Hall)
Warm Bank (Annexe)

FRIDAY

Internationals English Conversation Class (one2two)
Youth Activity Meetings
4-11 years (Church Hall)
11-18 years (Church Hall)
Open House for Internationals (one2two)
Seniors' Lunch (first Friday of the month)

SATURDAY

Youth Fellowship Meeting
11-15 years (one2two)
16 -22 years (Annexe)
Ladies Reading Group monthly (one2two)
Men's Reading Group monthly (one2two)

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

OBJECTIVES AND ACTIVITIES

Significant activities

- The Church allows the Annexe building to be used as a polling station in local/general elections and as an emergency facility for a neighbouring school. Other Churches, organisations and individuals occasionally made use of Church facilities by arrangement when there was availability and where those activities were in line with the Church constitution.
- The sick, needy and dying (members and non-members) are supported and practical help. These may be visits to private homes, care homes, hospices or hospitals.
- Weddings and funerals are conducted on the Church premises (members and non-members).
- The Church raises funds for the relief of suffering in parts of the world that experience great hardship, for example through natural disasters.
- A part-time worker supports Iranian asylum seekers and translates the sermons into Farsi each Sunday.
- The Church employs a full-time worker to lead the International Student Work, support the young people's work and provide pastoral care for young men.
- The Church also employs a full-time Women's Worker to engage in care and discipleship work as well as evangelism among women of all ages.

Access

The aforementioned activities are for the use and participation of all in the community. In order to give as wide an access as possible, the following are provided:

- Physical access to the Church buildings complies with the requirements of the Equality Act 2010.

Strategies adopted and activities undertaken to achieve the objects of the charity

In order to further the opportunities to engage the community in the meetings, activities and events of the Church, and to wisely review what is currently done, the following are employed:

- Prayer (specific prayer groups, corporate prayer and personal prayer).
- Personal conversation and invitation.
- Advertising and publicity (specialist church newspapers, flyers and leaflets in the community were distributed by Royal Mail, church magazine, notices and announcements at public church meetings).
- Website information, downloads and opportunity for e-mail contact with the Church. The Church has Facebook, Twitter pages and a YouTube channel.
- Video Streaming: Every Sunday, both Morning and Evening Services are available as a 'live stream' (via YouTube) to anyone who has access to the internet. The broadcasts include hymn singing, Bible reading, prayer and sermon.
- Seeking information and advice from relevant individuals, churches and organisations about the spiritual and practical needs of missions, groups and individuals on a case by case basis.
- The Elders and Church Council have regular meetings which function in a manner that monitors and reviews the activities and objects of the church.

How the Church measured success in the reporting period

The Elders and Church Council are conscious that it is only in eternity that we will see what the Lord has been doing amongst us. However, we in no way wish to use this as an excuse to abrogate our responsibilities and, whilst holding on to the principle that it is His work, not ours, we endeavour to be faithful stewards. As such we look to see the Gospel preached, church members and all others worshipping and fellowshiping with us taught and ministered to, and any facing hardship looked after in practical ways. This report sets out financial information which provides some limited insights into our "success". Other numerical information such as our membership roll, numbers of those attending our meetings and services and "footfall" in our café and the linked Heath Christian Bookshop can be helpful, but our main litmus test is the prayer meeting, the Power House of the Church, and even then not in numbers of those attending; the real test is whether we are attending on the Throne of Grace, and our success or otherwise in appealing for God's help in all we seek to do in His Name. We covet more of His Presence and, whilst we are not ungrateful for the wonders we see Him doing in individual lives, we long for greater blessing through an outpouring of His Spirit.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

OBJECTIVES AND ACTIVITIES

Grantmaking

The Church makes discretionary grants to individuals and institutions. Such support is focused on the following categories:

- Theological training for ministerial students and others
- "Our Missionaries" - Christian workers sent out by the Heath Church
- Other missionaries
- Pastors
- Christian workers
- People in financial hardship

The size and duration of grants are considered at the discretion of the elders and recommended to Church Council for approval. In particular we support missionaries and other Christian workers who have been commissioned by our Church. We only provide such support to individuals and organisations whose beliefs and practices fit with Church's aims and objectives. On occasions we also provide humanitarian aid as well as helping in cases of individual financial hardship. Generally, this will be either given directly to beneficiaries or channelled through a trusted intermediary church or other organisation.

Volunteers

The charity's different activities are run mainly by volunteers, most of whom are members of the church.

The many and varied activities of the Church are made possible by the voluntary work of members. Members give their unpaid time to such activities as Sunday school and Bible Classes, Youth and Children's Clubs, audio Ministry, website maintenance, stewarding duties, Church Magazine contributions and editing, and visiting the sick and needy.

Individual members hold specific posts voluntarily. These include the Treasurers (Church and Missionary), Gift Aid Administrator, Church Secretary, Secretary to the Elders, DBS Administrator, Health and Safety Officer, Chief Steward and Minibus Keeper. Volunteers help to produce leaflets for evangelism and the bimonthly prayer diary. This list is not exhaustive but it gives a flavour of the breadth of voluntary work. It is impossible to quantify the hours per annum but it runs into the tens of thousands.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

(Referenced to the two main objects (a) and (b) of the charity)

The Church met for worship throughout the year, twice on Sunday and throughout the week for prayer, Bible study and activities for young and old. (a)

- The Pastor preached on the majority of Sundays; the Pastor did not preach for us on the last Sunday of each month. Our Assistant Pastor, Andy Christofides preached on 10 occasions. Our trainee pastor, Nathan Munday, preached on 4 Sundays. Visiting preachers throughout the year were (in order of preaching) Teify Ebenezer (Brynmawr), Adrian Brake (Carmarthen), John Orchard (Bridgend), David Jones (Merthyr Tydfil), Clive Bowsher (Union), Eryl Davies (Church Elder) and Hywel George (Maesycwmmmer). (a)
- Recordings of sermons and Bible studies were provided through the website (downloads). (a)
- Simultaneous translation in the Sunday services is provided in the Farsi language. (a)

Financially, the Church was able to meet all its commitments during 2022 through the continued support of its members. (a)

- The Church continued to provide financial support for the Heath Christian Bookshop Trust. (a)
- The Church owns 122 Whitchurch Road (known as "one2two") which is used as a Christian Bookshop and Coffee Shop. Additional rooms on the first floor are used as an office and a lounge for church meetings/activities. One2two is a ministry of the Church in the community. (a) (b)
- The Church runs the coffee shop in one2two and employs a coffee shop manager and supervisors. A coffee shop committee is appointed to plan, monitor, review, and report to Church Council. Volunteers along with paid staff serve and help with the day to day operations of the coffee shop. (b)
- Financial, spiritual and moral support was provided for members serving across the world in Africa, Europe and Asia. The Church continued to support the work of one of its missionaries involved in helping to run homes for men and women with physical and/or learning disabilities in Moldova, expanding this work into a 5th home during this year. Other missionaries were supported financially in their primary task of preaching the Gospel. We also provided help in related work including support for: Lampeter Evangelical Church, Mount Elim Evangelical Church, Hope for the Valleys, Eglwys Efengylaidd Ardduwy, Wales Leadership Forum, Casa Mea, Romanian Ministries Emanuel Hospice, work in Nepal, Arab Media Centre project in France and disbursement of the funds raised for the India covid appeal. The Church has provided the manse as accommodation for a Ukrainian family of six. (a) (b)
- Special collections were made for Ukraine, Afghanistan, vitamins for Holocaust survivors (Israel), and at Christmas for hardship relief in Haiti and Eastern Europe. (b)
- The Church continued to administer a fund for the relief of financial hardship experienced by individual members and non-members. (b)
- The Church continued to employ an administrative assistant to enable the Church office to be open for 5 hours 4 days per week and to help with the efficient running of the Church. (a) (b)
- A weekly coffee morning is run to foster fellowship and counter loneliness for seniors within the local community. (a) (b)
- The Church continued to edit and publish a bi-monthly magazine for distribution (both electronically and in print) to members and other interested parties. (until October) (a)
- The Church website continued to be a useful tool for providing information worldwide and welcoming e-mail contact from website visitors. (a)
- Hospitality was provided to those in need. (b)
- A Warm Bank was held for one day each week (from October onwards) (b)
- Regular outreach to residential care establishments included Bethel House, Lakeside and Ty Coch residential homes. (a)

Progress the Church has made against its objectives

Wednesday evening meetings involve a Bible study, a time of prayer, and opportunities to present a review of progress by the members of the congregation involved in various activities of the Church.

Members are encouraged to bring questions or matters of concern to the trustees. The Elders consider all points raised and respond as they deem appropriate, keeping other trustees informed at monthly meetings of the full Church Council.

The Elders assess progress on a continual basis at their regular Tuesday evening meetings and bring everything to the Lord in prayer, feeding back to the congregation through individual letters, the bi-monthly Church magazine and announcements in the Sunday and other services.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Positive and negative factors that affected the achievement of objectives and how future plans are affected

We have been blessed with a Pastor and Assistant Pastor who have been enabled to preach to us and teach us in thoughtful and helpful ways. Through this ministry we are seeing new individuals brought to a saving knowledge of Christ, and Christians growing spiritually.

As well as benefiting from the ministry, there are many members who are actively engaged in the work, mostly unpaid but some paid, as teachers, helpers, evangelists, cleaners, book and coffee shop assistants, missionaries, encouragers and youth workers. We are grateful for the tireless efforts of so many who, in His name give willingly of their time to run these activities - and those also who work so hard behind the scenes to make sure that the environment is safe and suitable in many other ways for these things to continue. Our God is good.

Principal risks and uncertainties

Financially, the Church has faced a difficult 2022, but has now fully emerged from the Covid 19 pandemic. The Church has been able to continue to budget sufficiently to maintain the buildings and keep them in a good state of repair. The trustees have agreed that the reserves should not be less than £100,000 at any time, and this can be used in any extreme situation to offset the deficit between income and expenditure whilst remedial action is taken to alleviate the situation.

Property maintenance during 2022

With Church Council's agreement, the expenditure on property during 2022 has included some exceptional items, not the least being the repair and decoration of the timber louvres on the stair tower roofs, for which the scaffolding and works cost £19,413. A number of equipment costs have also been set against the property budget; in particular, the replacement of the large oven used for Church catering incurred (with associated installation costs) expenditure of over £5,565.

Following the lifting of Covid-19 restrictions, difficulties still continue in gaining a prompt response from contractors. Some maintenance and testing has been delayed but most inspection, servicing, and cyclic maintenance work has progressed in order to satisfy safety and statutory obligations. Trade costs for such work appear to be on the increase and this may have a budgetary implication for future years if the trend continues.

With only a base budget allocated for 2023, a number of significant planned maintenance items will have to be deferred. These including painting the external woodwork of the Hall, renewing the boiler room roof structure, and re-rendering the rear of one2two. It will be necessary to undertake these works as soon as the financial situation allows otherwise the deterioration of the structures will put the assets at risk.

As reported annually, at some point in the future there will be a major financial requirement for complete re-roofing of the main Church building and for repainting the ceiling.

FINANCIAL REVIEW

The Statement of Financial Activities reports a net deficit for the financial year of £13,152 (2021 - net income £81,081).

During the financial year the Church received two legacies totalling £110,360 (one for £95,360 and the other £15,000), all of which was unrestricted. Although the Church is holding reserves in excess of the reserve policy requirement at the current time, the financial situation for the Church is concerning as was highlighted by two messages sent to the membership from the Treasurer and Church Council. Particular attention should be paid to the underlying situation. If the legacy money is excluded, then the Church would be reporting a net deficit of £123,512.

Expenditure in respect of the salary costs of the new Assistant Pastor, are being covered by an opening designated fund: Legacy Fund, in line with the intended use of that fund.

Budgets for 2023 have been approved with a focus on reducing costs where possible and appropriate and all expenditure on projects for the Church have been postponed until the underlying financial position improves.

The coffee shop continued to run at a deficit. Direct coffee shop income reported at £57,776 with an additional sum of £2,900 received by way of donations. Coffee shop expenditure reported at £79,614 including salary costs and overheads, resulting in a deficit of £18,938.

Camps generated an income of £29,810 with costs of £35,218 which meant a deficit of £5,408.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW

Principal funding sources

The Church's income takes the form of regular giving via the Church website, and also directly into the Church's bank accounts. Alternatively, members also regularly send cheques directly to the Treasurer for depositing in the bank accounts. The donation boxes in the foyer have also been re-opened.

Income from offerings, gift aid and the missionary account was £448,165 compared with £495,851 in 2021. Missionary income from donations was £147,905 (2021 - £181,336). The decrease in missionary giving is concerning.

Total income for the year is reported at £651,388 compared to £632,327 in 2021. The Church was incredibly blessed and grateful to receive another two legacies in 2022 amounting to £110,360. The overall increase in income is due to the resumption of the church camps, and the coffee shop being back to full operation.

The coffee shop generated income of £57,776 compared to £24,411 in the prior year and camps £29,810 compared to £261 in 2021.

Reserves policy

The total funds held at the year end stand at £2,299,255 (2021: £2,312,407), of which £28,730 is restricted. However, of this amount the Church has designated funds of £1,897,650 leaving free reserves of £372,875.

Included within designated funds are the following:

- Fixed asset fund of £1,848,313 equal to the net book value of the fixed assets held.
- Legacy fund of £48,865 set aside to primarily cover the salary costs of the new Assistant Pastor.
- Gospel Support Wales fund of £472 to support mission activity within Wales and the rest of the UK.

The trustees consider that reserves should not be less than £100,000 at any time. This is a relatively modest value compared with the income and expenditure flows. However, at present, free reserves held of £372,875 are considerably in excess of £100,000.

The 2022 financial statements show a deficit for the year of £13,152 (operational loss of £123,512 excluding the legacy income). As noted under the financial review section, the trustees are mindful of the underlying situation of operational deficits and the continued need to manage the reserves held accordingly.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Heath Evangelical Church is constituted as a charitable trust whose governing document is its constitution and trust deed.

Organisational structure

All decisions relating to the spiritual oversight and overall direction of the Church are taken by the Pastor and Elders. All other decisions are made by the Church Council which consists of the Pastor, Elders, Deacons and Church officers.

Appointment of Pastor

The Pastor is elected by the admitted members of the Church by a special resolution passed at a Church meeting.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Election of Elders

Instruction is given to Church members concerning the biblical qualifications of an Elder. Members of the congregation are invited to suggest to the Elders names for consideration. From the names suggested to them, and any others the Elders may consider suitable, the Elders recommend nominees to the Church members, based on the needs of the Church at that time. Their names are then presented to a meeting of Church members called to elect Elders. Those receiving the votes of at least two thirds of the members present and voting are considered duly elected. Those elected are approached by the Pastor and Elders and invited to accept the office. Those persons duly elected as Elders are recognised at an Ordination Service.

Elders are elected for life, or as long as they continue to be members of the church, or until they resign, or until they are removed from office, whichever is the earlier. At least every seven years, a recommendation is placed before the Church members for an election of Elders to be arranged. Should this recommendation be supported by at least two thirds of those present and voting, the necessary arrangements are made.

Election of Deacons

Deacons are elected to office by a meeting of the Church. They are elected from those who have been members of the Church for over three years. Vacancies in the Diaconate are filled by those nominations obtaining the largest number of votes at a Church meeting, provided they receive a minimum of one third of those present and voting. Nominations for election are submitted to the Church Secretary and signed by the proposer, seconder and nominee. All must be members of the Church.

Induction and training of new trustees

Any new deacon elected must have been a member of the Church for a minimum of three years. The pastor, elders, deacons, secretary and treasurer are all trustees. In practice, new trustees have been members for much longer than this. This experience is of great benefit in terms of familiarising trustees with the day to day functioning of the Church and its administrative systems. Information regarding the committees of the Church and roles of key personnel is provided in the annual Members' Directory. Trustees will have received the accounts of the Church for at least the previous three years. New trustees are provided with booklets on the roles and duties of trustees of charities, published by the Charity Commission. The Church Secretary briefs new trustees on the procedures and practices that are unique to Church Council members. The Church Constitution is provided and it gives more detailed information on procedures and practices, including the objectives of the Church.

Key management remuneration

An important pay principle in our pay policies is that our pay scales, salaries and benefits are proportionate to the complexity of role/ responsibilities. We aim to pay around the median for similar roles in similar organisations but not compete on salaries within the public or private sectors. To help us achieve this, we monitor similar charity sector pay trends through available sources.

Related parties

The charity has several trustees in common with Heath Christian Bookshop Trust and has given financial support to this organisation during the year.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Church has both a Safeguarding Policy and Safeguarding Guidelines which have been approved by and lodged with the Churches Child Protection Advisory Service. Disclosure and Barring Service (DBS) Disclosures have been sought and received for all trustees of the Church and for those who work with children and vulnerable adults in the Church. There is a rolling programme for updating / renewing these DBS Disclosures. The Health and Safety Policy has been revised to ensure compliance with current recommendations. Key personnel have been consulted and the Policy given to all relevant staff. Adaptations and improvements have been made to the Church premises to ensure compliance with the Equality Act 2010. Insurance cover was set in the light of independent advice. The trustees comply with Charity Commission advice and directives in the running of the Church.

The Church's finances are subject to external independent examination.

The trustees are satisfied that any major risks are being assessed and systems put in place for their mitigation.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1118052

Principal address
122 Whitchurch Road
Heath
CARDIFF
CF14 3LZ

Trustees

R W Akrill (Elder)
A J Barker (Elder)
K Batstone (Elder)
L Chorbajian (Elder)
A Christofides (Assistant Pastor) - appointed 01.02.22
J Cross (Deacon) - resigned 09.05.22
T Cross (Deacon)
D E Davies (Elder)
A Denton (Deacon) - appointed 09.05.22
N Evans (Deacon) - resigned 09.05.22
W G Evans (Elder)
M Forde (Deacon)
J Gigg (Treasurer)
G Grizelle (Deacon) - appointed 09.05.22
R D Hate (Secretary)
A W Hughes (Pastor)
S H Johnson (Elder) - resigned 15.02.22
A Jones (Deacon)
J G Jones (Deacon)
J Musty (Deacon) - appointed 09.05.22
K J Orchard (Elder)
M S Packianather (Deacon)
C Prothero (Deacon) - appointed 09.05.22
M J Pugh (Deacon)
G R Roberts (Deacon)
G Seymour (Deacon) - appointed 09.05.22
P W Tench (Elder)

Independent Examiner

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

Approved by order of the Board of Trustees on 21-MAR-2023 and signed on its behalf by:


.....
R D Hate (Trustee and Secretary)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HEATH EVANGELICAL CHURCH

Independent examiner's report to the trustees of Heath Evangelical Church

I report to the charity trustees on my examination of the accounts of Heath Evangelical Church (the Trust) for the year ended 31 December 2022.

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

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies.

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 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

Date: 24 March 2023

HEATH EVANGELICAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	404,989	156,686	561,675	607,530
Charitable activities	5				
The promotion of Christianity		30,656	-	30,656	261
Coffee shop		57,776	-	57,776	24,411
Investment income	4	681	-	681	36
Other income		600	-	600	89
Total		<u>494,702</u>	<u>156,686</u>	<u>651,388</u>	<u>632,327</u>
EXPENDITURE ON					
Charitable activities	6				
The promotion of Christianity		403,866	181,060	584,926	492,381
Coffee shop		79,614	-	79,614	58,865
Total		<u>483,480</u>	<u>181,060</u>	<u>664,540</u>	<u>551,246</u>
NET INCOME/(EXPENDITURE)		11,222	(24,374)	(13,152)	81,081
RECONCILIATION OF FUNDS					
Total funds brought forward		2,259,303	53,104	2,312,407	2,231,326
TOTAL FUNDS CARRIED FORWARD		<u>2,270,525</u>	<u>28,730</u>	<u>2,299,255</u>	<u>2,312,407</u>

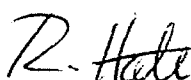
The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

BALANCE SHEET
31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	12	1,848,313	-	1,848,313	1,849,504
CURRENT ASSETS					
Debtors	13	5,924	1,891	7,815	15,508
Cash at bank and in hand		<u>424,866</u>	<u>26,839</u>	<u>451,705</u>	<u>455,885</u>
		430,790	28,730	459,520	471,393
CREDITORS					
Amounts falling due within one year	14	(8,578)	-	(8,578)	(8,490)
NET CURRENT ASSETS		<u>422,212</u>	<u>28,730</u>	<u>450,942</u>	<u>462,903</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,270,525</u>	<u>28,730</u>	<u>2,299,255</u>	<u>2,312,407</u>
NET ASSETS		<u>2,270,525</u>	<u>28,730</u>	<u>2,299,255</u>	<u>2,312,407</u>
FUNDS	16				
Unrestricted funds				2,270,525	2,259,303
Restricted funds				<u>28,730</u>	<u>53,104</u>
TOTAL FUNDS				<u>2,299,255</u>	<u>2,312,407</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21-MAR-2023 and were signed on its behalf by:


R D Hate (Trustee and Secretary)

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(1,473)</u>	<u>92,023</u>
Net cash (used in)/provided by operating activities		<u>(1,473)</u>	<u>92,023</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,388)	(9,459)
Interest received		<u>681</u>	<u>36</u>
Net cash used in investing activities		<u>(2,707)</u>	<u>(9,423)</u>
Change in cash and cash equivalents in the reporting period		(4,180)	82,600
Cash and cash equivalents at the beginning of the reporting period		<u>455,885</u>	<u>373,285</u>
Cash and cash equivalents at the end of the reporting period		<u><u>451,705</u></u>	<u><u>455,885</u></u>

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(13,152)	81,081
Adjustments for:		
Depreciation charges	4,579	3,412
Interest received	(681)	(36)
Decrease in debtors	7,693	4,271
Increase in creditors	88	3,295
Net cash (used in)/provided by operations	<u>(1,473)</u>	<u>92,023</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22 £	Cash flow £	At 31/12/22 £
Net cash			
Cash at bank and in hand	<u>455,885</u>	<u>(4,180)</u>	<u>451,705</u>
	<u>455,885</u>	<u>(4,180)</u>	<u>451,705</u>
Total	<u>455,885</u>	<u>(4,180)</u>	<u>451,705</u>

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. STATUTORY INFORMATION

Heath Evangelical Church 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 charity's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to advance the Christian faith, to relieve sickness and financial hardship and to preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Pastors, Elders and Church Council from time to time may think fit.

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.

There have been no material departures from Financial Reporting Standard 102.

Going concern

In light of the charity's free reserves held and cash flow management, no material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

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 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 includes income received from camps, coffee shop and similar sources. 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. Such income is only deferred when the amounts received are in advance of the performance of the service to which it relates.

Investment income is recognised on a receivable basis.

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

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.

2. ACCOUNTING POLICIES - continued

Expenditure

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.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff costs, finance costs, general office and premises costs, and governance costs which support the activities of the charity. These costs have been allocated to charitable activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Financial instruments

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

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.

Tangible fixed assets

Fixed assets are capitalised at cost.

The charity has previously adopted a policy of revaluing its freehold property to fair value, however advantage has been taken of the transitional exemptions of FRS 102 and the previous revalued amount is now being treated as deemed 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 contents	- 25% on cost
Motor vehicles	- 25% on reducing balance
Equipment	- 25% on cost

Depreciation is not charged on the properties as the Church Council are committed to ensuring they are maintained to a high standard.

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.

Designated funds are created for specific purposes at the discretion of the trustees.

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

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Grants	-	5,667
Offerings, covenants, gift aid & other donations	300,260	314,515
Missionary account	147,905	181,336
Welsh Government - Homes for Ukraine Scheme	3,150	-
Legacies	<u>110,360</u>	<u>106,012</u>
	<u>561,675</u>	<u>607,530</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Coronavirus Job Retention Scheme	<u>-</u>	<u>5,667</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>681</u>	<u>36</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Camps income	The promotion of Christianity	29,810	261
House party fees	The promotion of Christianity	846	-
Coffee shop income	Coffee shop	<u>57,776</u>	<u>24,411</u>
		<u>88,432</u>	<u>24,672</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
The promotion of Christianity	558,310	26,616	584,926
Coffee shop	<u>79,614</u>	<u>-</u>	<u>79,614</u>
	<u>637,924</u>	<u>26,616</u>	<u>664,540</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	176,071	136,755
Staff expenses	2,231	404
Insurance, fire and security	9,321	10,010
Missionary support	194,896	205,220
Telephone	775	956
Sundries	7,068	5,633
Support to Heath Christian Bookshop Trust	9,063	10,188
Discretionary grant payments	31,801	35,916
Heat, light & water rates	16,035	16,099
Repairs and maintenance	47,923	27,581
Sunday school and youth work	3,936	516
Gospel Support Wales	8,000	1,750
Minibuses	768	741
Pulpit supply	1,750	3,850
House party costs	-	395
Heath camps	35,218	1,442
House party expenditure	275	-
Catering and hospitality	5,374	1,401
Magazine costs	2,818	2,675
Coffee shop direct costs	28,553	15,904
Coffee shop salaries and wages	38,466	35,660
Coffee shop social security	2,497	2,115
Coffee shop pensions	1,743	1,398
Coffee shop heat light & water	7,702	2,943
Media outreach	1,061	3,301
Depreciation	4,579	3,412
	<u>637,924</u>	<u>526,265</u>

Within direct costs are grants payable of £31,801. This includes:

	No.	£
Grants payable to individuals	14	17,305
Grants payable to institutions	8	14,496

Charitable Objective	Description	Individuals£	Institutions£	Total£
b	Hardship relief UK	4,888	-	4,888
a	Theological training	1,120	-	1,120
a	Evangelical churches + AECW	-	14,496	14,496
a	Evangelistic activities	8,897	-	8,897
a&b	Support for former pastors	2,400	-	2,400
		<u>17,305</u>	<u>14,496</u>	<u>31,801</u>

Examples of grants awarded to institutions are as follows:

Organisation	Purpose	£
Heath Christian Bookshop	Sale of Christian Books	9,063
Mount Elim Evangelical Church	Churches representation	5,000
Lampeter Evangelical Church	Churches representation	5,000
AECW	Churches representation	1,000
EMW	Churches representation	1,000
Union Foundation	Churches representation	1,000
Christian Institute	Churches representation	1,000

HEATH EVANGELICAL CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022****8. SUPPORT COSTS**

	Staff costs £	Other £	Governance costs £	Totals £
The promotion of Christianity	<u>14,181</u>	<u>8,655</u>	<u>3,780</u>	<u>26,616</u>

Included within support costs are independent examination fees of £3,780 (2021 - £3,420).

9. TRUSTEES' REMUNERATION AND BENEFITS

The following payments were made to trustees and connected persons:-

Remuneration and benefits as employees (Gross pay and employers pension contributions):

	2022 £	2021 £
K Batstone for pastoral work	7,722	7,080
A W Hughes as pastor	42,245	34,328
L Chorbajian for pastoral work	27,105	26,112
A Christofides for pastoral work	<u>30,454</u>	<u>-</u>

A W Hughes (Pastor) occupied the Church Manse as a condition of his employment, until December 2021. The Church maintained the Manse and meets the cost of gas, electricity, and the telephone (land line) during this time.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 or for the year ended 31 December 2021.

10. STAFF COSTS

	2022 £	2021 £
Wages and salaries	212,001	173,692
Social security costs	12,075	7,232
Pension costs	<u>8,882</u>	<u>7,011</u>
	<u>232,958</u>	<u>187,935</u>

The average number of staff employed by the charity during the financial year amounted to 13 (2021: 13).

No employee earned more than £60,000 during the year.

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

11. PREVIOUS YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	403,663	203,867	607,530
Charitable activities			
The promotion of Christianity	261	-	261
Coffee shop	24,411	-	24,411
Investment income	36	-	36
Other income	89	-	89
Total	<u>428,460</u>	<u>203,867</u>	<u>632,327</u>
EXPENDITURE ON			
Charitable activities			
The promotion of Christianity	291,670	200,711	492,381
Coffee shop	58,865	-	58,865
Total	<u>350,535</u>	<u>200,711</u>	<u>551,246</u>
NET INCOME	77,925	3,156	81,081
RECONCILIATION OF FUNDS			
Total funds brought forward	2,181,378	49,948	2,231,326
TOTAL FUNDS CARRIED FORWARD	<u>2,259,303</u>	<u>53,104</u>	<u>2,312,407</u>

12. TANGIBLE FIXED ASSETS

	Church, hall & annexe buildings £	Manse £	Fixtures, fittings & contents £
COST			
At 1 January 2022	1,486,753	350,000	80,728
Additions	-	-	1,330
Disposals	-	-	(51,753)
At 31 December 2022	<u>1,486,753</u>	<u>350,000</u>	<u>30,305</u>
DEPRECIATION			
At 1 January 2022	-	-	79,771
Charge for year	-	-	650
Eliminated on disposal	-	-	(51,753)
At 31 December 2022	<u>-</u>	<u>-</u>	<u>28,668</u>
NET BOOK VALUE			
At 31 December 2022	<u>1,486,753</u>	<u>350,000</u>	<u>1,637</u>
At 31 December 2021	<u>1,486,753</u>	<u>350,000</u>	<u>957</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

12. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Equipment £	Totals £
COST			
At 1 January 2022	19,400	98,859	2,035,740
Additions	-	2,058	3,388
Disposals	-	(59,021)	(110,774)
At 31 December 2022	<u>19,400</u>	<u>41,896</u>	<u>1,928,354</u>
DEPRECIATION			
At 1 January 2022	18,096	88,369	186,236
Charge for year	326	3,603	4,579
Eliminated on disposal	-	(59,021)	(110,774)
At 31 December 2022	<u>18,422</u>	<u>32,951</u>	<u>80,041</u>
NET BOOK VALUE			
At 31 December 2022	<u>978</u>	<u>8,945</u>	<u>1,848,313</u>
At 31 December 2021	<u>1,304</u>	<u>10,490</u>	<u>1,849,504</u>

Depreciation is not charged on the properties as the Church Council are committed to ensuring they are maintained to a high standard and it is considered that a significant proportion of the value of its property relates to land.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other debtors	<u>7,815</u>	<u>15,508</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other creditors	<u>8,578</u>	<u>8,490</u>

Included within other creditors above is £500 (2021 - £Nil) of deferred income. This is in relation to the early receipt of income for a weekend camp to be held in February 2023.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	1,366	1,366
Between one and five years	<u>331</u>	<u>1,697</u>
	<u>1,697</u>	<u>3,063</u>

The total lease payments recognised as an expense in the year amounted to £1,366 (2021: £1,366).

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

16. MOVEMENT IN FUNDS

	At 1/1/22 £	Net movement in funds £	Transfers between funds £	At 31/12/22 £
Unrestricted funds				
General fund	319,015	77,240	(23,380)	372,875
Missionary fund - designated	-	(19,992)	19,992	-
Legacy fund	90,012	(41,147)	-	48,865
Gospel Support Wales	772	(300)	-	472
Fixed Asset Fund	<u>1,849,504</u>	<u>(4,579)</u>	<u>3,388</u>	<u>1,848,313</u>
	2,259,303	11,222	-	2,270,525
Restricted funds				
Missionary fund	<u>53,104</u>	<u>(24,374)</u>	<u>-</u>	<u>28,730</u>
TOTAL FUNDS	<u>2,312,407</u>	<u>(13,152)</u>	<u>-</u>	<u>2,299,255</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	494,502	(417,262)	77,240
Missionary fund - designated	-	(19,992)	(19,992)
Legacy fund	-	(41,147)	(41,147)
Gospel Support Wales	200	(500)	(300)
Fixed Asset Fund	<u>-</u>	<u>(4,579)</u>	<u>(4,579)</u>
	494,702	(483,480)	11,222
Restricted funds			
Missionary fund	153,048	(177,422)	(24,374)
Coffee shop fund	<u>3,638</u>	<u>(3,638)</u>	<u>-</u>
	156,686	(181,060)	(24,374)
TOTAL FUNDS	<u>651,388</u>	<u>(664,540)</u>	<u>(13,152)</u>

Comparatives for movement in funds

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	335,399	13,067	(29,451)	319,015
Missionary fund - designated	-	(19,992)	19,992	-
Gospel Support Wales	2,522	(1,750)	-	772
Fixed Asset Fund	<u>1,843,457</u>	<u>(3,412)</u>	<u>9,459</u>	<u>1,849,504</u>
Legacy fund	<u>-</u>	<u>90,012</u>	<u>-</u>	<u>90,012</u>
	2,181,378	77,925	-	2,259,303
Restricted funds				
Missionary fund	<u>49,948</u>	<u>3,156</u>	<u>-</u>	<u>53,104</u>
TOTAL FUNDS	<u>2,231,326</u>	<u>81,081</u>	<u>-</u>	<u>2,312,407</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

16. 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	327,448	(314,381)	13,067
Missionary fund - designated	-	(19,992)	(19,992)
Gospel Support Wales	-	(1,750)	(1,750)
Fixed Asset Fund	-	(3,412)	(3,412)
Legacy fund	<u>101,012</u>	<u>(11,000)</u>	<u>90,012</u>
	428,460	(350,535)	77,925
Restricted funds			
Missionary fund	196,356	(193,200)	3,156
Salary fund	1,375	(1,375)	-
Coffee shop support	<u>6,136</u>	<u>(6,136)</u>	<u>-</u>
	<u>203,867</u>	<u>(200,711)</u>	<u>3,156</u>
TOTAL FUNDS	<u>632,327</u>	<u>(551,246)</u>	<u>81,081</u>

Designated funds

The missionary fund has been set up to deal with income which has been designated by the Church for missionary work.

The Gospel Support Wales fund was set up using a legacy received during 2016. The fund is used to support mission activity within Wales and the rest of the UK.

The fixed asset fund represents the net book value of the tangible fixed assets.

The legacy fund was set up in 2021 following the receipt of a new legacy in the prior 2021 financial year of £101,012. The Trustee Board set aside the funds to segregate for internally agreed use, including covering two years of salary costs for the new Assistant Pastor who took up post in February 2022.

Restricted funds

The missionary fund exists to provide financial support to church missionaries in various parts of the world. It is maintained by donations received.

The coffee shop support fund represents specific donations and the associated gift aid on donations given directly to support the coffee shop.

Prior year only

The salaries fund was to enable the Church to employ staff currently on short term contracts beyond their initial two year term.

Transfers between funds

A transfer of £3,388 has been made from the general fund to the designated fixed asset fund in respect of fixed asset additions in the year.

The Church designated £19,992 of unrestricted income to be used for Missionary work. This amount was spent during the year.

Prior year

A transfer of £9,459 has been made from the general fund to the designated fixed asset fund in respect of fixed asset additions in the year.

The Church designated £19,992 of unrestricted income to be used for Missionary work. This amount was spent during the year.

17. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributes to individual stakeholder pensions. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions due to the employees of the charity and amounted to £8,882 (2021 - £7,011). Outstanding contributions at the year end amounted to £Nil (2021: £Nil).

18. RELATED PARTY DISCLOSURES

The charity is connected with the Heath Christian Bookshop Trust in that it has trustees in common. During the year, financial support of £9,063 (2021: £10,188) was given of which £9,000 (2021: £9,000) is from the Church and £63 (2021-£1,188) is restricted gifts including tax refunds. There was no balance outstanding at the year end.

O Batstone (son of a trustee) received a grant of £1,200 (2021 - £300) as a restricted gift along with £100 (£2021 - £Nil) for speaking engagements within the Church.

G Jones (son of a trustee) received support costs of £2,138 (2021 - £2,960) which was funded via restricted donations received by the Church.

The total unconditional donations made to the charity by its trustees amounted to £37,710 (2021: £45,965). In addition, several trustees made donations restricted to providing support to Church missionaries totalling £12,630 (2021 - £16,340).

The total employment benefits of trustees and key management personnel of the charity were £117,809 (2021 - £73,027).

HEATH EVANGELICAL CHURCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants	-	5,667
Offerings, covenants, gift aid & other donations	300,260	314,515
Missionary account	147,905	181,336
Welsh Government - Homes for Ukraine Scheme	3,150	-
Legacies	<u>110,360</u>	<u>106,012</u>
	561,675	607,530
Investment income		
Deposit account interest	681	36
Charitable activities		
Camps income	29,810	261
Coffee shop income	57,776	24,411
House party fees	<u>846</u>	<u>-</u>
	88,432	24,672
Other income		
Miscellaneous income	<u>600</u>	<u>89</u>
Total incoming resources	651,388	632,327
EXPENDITURE		
Charitable activities		
Wages	160,015	126,643
Social security	8,917	4,691
Pensions	7,139	5,421
Staff expenses	2,231	404
Insurance, fire and security	9,321	10,010
Missionary support	194,896	205,220
Telephone	775	956
Sundries	7,068	5,633
Support to Heath Christian Bookshop Trust	9,063	10,188
Discretionary grant payments	31,801	35,916
Heat, light & water rates	16,035	16,099
Repairs and maintenance	47,923	27,581
Sunday school and youth work	3,936	516
Gospel Support Wales	8,000	1,750
Minibuses	768	741
Pulpit supply	1,750	3,850
House party costs	-	395
Heath camps	35,218	1,442
House party expenditure	275	-
Catering and hospitality	5,374	1,401
Magazine costs	2,818	2,675
Coffee shop direct costs	28,553	15,904
Coffee shop salaries and wages	38,466	35,660
Coffee shop social security	2,497	2,115
Coffee shop pensions	1,743	1,398
Carried forward	624,582	516,609

This page does not form part of the statutory financial statements

HEATH EVANGELICAL CHURCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Charitable activities		
Brought forward	624,582	516,609
Coffee shop heat light & water	7,702	2,943
Media outreach	1,061	3,301
Fixtures and fittings depreciation	650	670
Motor vehicle depreciation	326	435
Equipment depreciation	<u>3,603</u>	<u>2,307</u>
	637,924	526,265
Support costs		
Staff costs		
Wages	13,520	11,389
Social security	661	426
Pensions	<u>-</u>	<u>192</u>
	14,181	12,007
Other		
Advertising	834	1,435
Heat, light & water rates	177	176
Insurance, fire and security	888	1,112
Repairs and maintenance	1,047	708
Postage and stationery	2,783	2,858
Flowers and wreaths	780	517
Legal and professional fees	969	1,547
Bank charges	<u>1,177</u>	<u>1,201</u>
	8,655	9,554
Governance costs		
Independent examination fees	<u>3,780</u>	<u>3,420</u>
Total resources expended	<u>664,540</u>	<u>551,246</u>
Net (expenditure)/income	<u>(13,152)</u>	<u>81,081</u>

Accounts

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
HEATH EVANGELICAL CHURCH**

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

HEATH EVANGELICAL CHURCH

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. 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 objects of the charity (taken from the Governing Document) are:

- a) to advance the Christian faith in accordance with the Statement of Doctrines referred to in Schedule 1 and Schedule 2 of the governing document in such ways and in such parts of the United Kingdom or the rest of the world as the Pastor and Elders from time to time may think fit.
- b) as subsidiary to (a) above (and only as subsidiary) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Church Council from time to time may think fit.

Activities and meetings (including those for public benefit)

The following meetings and activities are open to non-members as well as members of the Church. Many of the meetings are attended by the public, particularly those in the local community:

SUNDAY

CHURCH SERVICE 10.45am
Morning Sunday Schools (Church Hall & Annexe)
CHURCH SERVICE 6.00 pm
Informal Fellowship Meeting (Church Hall)

MONDAY

Missionary Prayer Meeting (Lecture Room)
Home Bible Study Groups 7.30pm (first Monday of the month)

TUESDAY

Seniors Coffee Morning (one2two)
International Ladies' Bible Study (one2two)

WEDNESDAY

Women's Bible Class (Church Hall)
BIBLE STUDY & PRAYER MEETING (Church Hall)
7.30pm

THURSDAY

Toddler Group (term-time Church Hall)

FRIDAY

Internationals English Conversation Class (one2two)
Youth Activity Meetings
4-11 years (Church Hall)
11-18 years (Church Hall)
Open House for Internationals (one2two)
Seniors' Lunch (first Friday of the month)

SATURDAY

Youth Fellowship Meeting
11-15 years (one2two)
16-22 years (Annexe)
Ladies Reading Group monthly (one2two)
Men's Reading Group monthly (one2two)

Limitations on activities due to Covid 19

Restrictions in place due to the Covid 19 pandemic affected the numbers able to attend public meetings. However, activities were able to be held via live streaming/video conferencing and, where guidelines permitted, in the buildings (worship on the Lord's day and on Wednesday evening for prayer and Bible study) with risk assessments in place and adhered to.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES

Significant activities

The Church allows the Annexe building to be used as a polling station in local/general elections and as an emergency facility for a neighbouring school. Other Churches, organisations and individuals occasionally made use of Church facilities by arrangement when there was availability and where those activities were in line with the Church constitution.

- The sick, needy and dying (members and non-members) are supported and given practical help. These may be visits to private homes, care homes, hospices or hospitals.
- Weddings and funerals are conducted on the Church premises (members and non-members).
- The Church raises funds for the relief of suffering in parts of the world that experience great hardship e.g. through natural disasters.
- A part-time worker supports Iranian asylum seekers and translates the sermons into Farsi each Sunday
- The Church employs a full time worker to lead the International Student Work, support the young people's work and provide pastoral care for young men.
- The Church also employs a full time Women's Worker to engage in care and discipleship work as well as evangelism among women of all ages.

Access

The aforementioned activities are for the use and participation of all in the community. In order to give as wide an access as possible, the following are provided:

- Physical access to the church buildings complies with the requirements of the Equality Act 2010.

Strategies adopted and activities undertaken to achieve the objects of the charity

In order to further the opportunities to engage the community in the meetings, activities and events of the Church, and to wisely review what is currently done, the following are employed:

- Prayer (specific prayer groups, corporate prayer and personal prayer).
- Personal conversation and invitation.
- Advertising and publicity (specialist church newspapers, flyers and leaflets in the community were distributed by Royal Mail, church magazine, notices and announcements at public church meetings).
- Website information, downloads and opportunity for e-mail contact with the church. The Church has Facebook, Twitter pages and a YouTube channel.
- Video Streaming: Every Sunday, both Morning and Evening Services are available as a 'live stream' (via YouTube) to anyone who has access to the internet. The broadcasts include hymn singing, Bible reading, prayer and sermon.
- Seeking information and advice from relevant individuals, churches and organisations about the spiritual and practical needs of missions, groups and individuals on a case by case basis.
- The Elders and Church Council have regular meetings which function in a manner that monitors and reviews the activities and objects of the church.

How the Church measured success in the reporting period

The Elders and Church Council are conscious that it is only in eternity that we will see what the Lord has been doing amongst us. However, we in no way wish to use this as an excuse to abrogate our responsibilities and, whilst holding on to the principle that it is His work, not ours, we endeavour to be faithful stewards. As such we look to see the Gospel preached, church members and all others worshipping and fellowshiping with us taught and ministered to, and any facing hardship looked after in practical ways. This report sets out financial information which provides some limited insights into our "success". Other numerical information such as our membership roll, numbers of those attending our meetings and services and "footfall" in our café and the linked Heath Christian Bookshop can be helpful, but our main litmus test is the prayer meeting, the Power House of the Church, and even then not in numbers of those attending; the real test is whether we are attending on the Throne of Grace, and our success or otherwise in appealing for God's help in all we seek to do in His Name. We covet more of His Presence and, whilst we are not ungrateful for the wonders we see Him doing in individual lives, we long for greater blessing through an outpouring of His Spirit.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES

Grantmaking

The Church makes discretionary grants to individuals and institutions. Such support is focused on the following categories:

- Theological training for ministerial students and others
- "Our Missionaries" - Christian workers sent out by the Heath Church
- Other missionaries
- Pastors
- Christian workers
- People in financial hardship

The size and duration of grants are considered at the discretion of the elders and recommended to Church Council for approval. In particular we support missionaries and other Christian workers who have been commissioned by our Church. We only provide such support to individuals and organisations whose beliefs and practices fit with Church's aims and objectives. On occasions we also provide humanitarian aid as well as helping in cases of individual financial hardship. Generally, this will be either given directly to beneficiaries or channelled through a trusted intermediary church or other organisation.

Volunteers

The charity's different activities are run mainly by volunteers, most of whom are members of the church.

The many and varied activities of the Church are made possible by the voluntary work of members. Members give their unpaid time to such activities as Sunday school and Bible Classes, Youth and Children's Clubs, audio Ministry, website maintenance, stewarding duties, Church Magazine contributions and editing, and visiting the sick and needy.

Individual members hold specific posts voluntarily. These include the Treasurers (Church and Missionary), Gift Aid Administrator, Church Secretary, Secretary to the Elders, DBS Administrator, Health and Safety Officer, Chief Steward and Minibus Keeper. Volunteers help to produce leaflets for evangelism and the bimonthly prayer diary. This list is not exhaustive but it gives a flavour of the breadth of voluntary work. It is impossible to quantify the hours per annum but it runs into the tens of thousands.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

(Referenced to the two main objects (a) and (b) of the charity)

The Church met for worship throughout the year, twice on Sunday and throughout the week for prayer, Bible study and activities for young and old. (a)

- The Pastor preached on the majority of Sundays; the Pastor did not preach for us on the last Sunday of each month. Visiting preachers throughout the year were (in order of preaching) Dustin Benge (Union), Adrian Brake (Carmarthen), Philip Swann (Llanelli), Mike Mellor (Bournemouth), Conrad Pomeroy (Dudley), David Jones (Merthyr), Peter Milsom (Newport), Maged Drotta (France), Mark Fisher (Hanney), Matt Francis (Deeside), John Orchard (Bridgend) and Andy Christofides (Cardiff). Our trainee pastor, Hywel George, preached on 3 Sundays. (a)
- Recordings of sermons and Bible studies continued to be provided through the website (downloads). (a)
- Simultaneous translation in the Sunday services is provided in the Farsi language; also provided is a real time transcription of Sunday Services and prayer meetings for the hearing impaired. (a)

Financially, the Church was able to meet all its commitments during 2021 through the continued support of its members (a)

- The Church continued to provide financial support for the Heath Christian Bookshop Trust. (a)
- The Church owns 122 Whitchurch Road known as "one2two" which is used as a Christian Bookshop and Coffee Shop. Additional rooms on the first floor are used as an office and a lounge for Church meetings/activities. One2two is a ministry of the Church in the community. (a) (b)
- The Church runs the coffee shop in one2two and employs a coffee shop manager and supervisors. A coffee shop committee is appointed to plan, monitor, review, and report to Church Council. Volunteers along with paid staff serve and help with the day to day operations of the coffee shop. (b)
- Financial, spiritual and moral support was provided for members serving across the world in Haiti, Africa, Europe and Asia. The Church continued to support the work of one of its missionaries involved in helping to run homes for men and women with physical and/or learning disabilities in Moldova, expanding this work into a 5th home during this year. Other missionaries were supported financially in their primary task of preaching the Gospel. We also provided help in related work including support for: Lampeter Evangelical church, Romanian Ministries Emanuel Hospice, work in Nepal, Arab Media Centre project in France, work in Yemen and for various Iranian brethren in the church (a) (b)
- Special collections were made for covid relief (India), earthquake survivors (Haiti), a mother and baby unit (Israel), vitamins for Holocaust survivors (Israel), and at Christmas for hardship relief in Haiti and Eastern Europe. (b)
- The Church continued to administer a fund for the relief of financial hardship experienced by individual members and non-members. (b)
- The Church continued to employ an administrative assistant to enable the church office to be open for 5 hours 4 days per week and to help with the efficient running of the church. (a) (b)

A weekly coffee morning is run to foster fellowship and counter loneliness for seniors within the local community. (a) (b)

The Church continued to edit and publish a bi-monthly magazine for distribution (both electronically and in print) to members and other interested parties. (a)

The Church website continued to be a useful tool for providing information worldwide and welcoming e-mail contact from website visitors. (a)

Hospitality was provided to those in need. (b)

Regular outreach to residential care establishments included Bethel House, Lakeside and Ty Coch residential homes. (a)

Progress the Church has made against its objectives

Wednesday evening meetings involve a Bible study, a time of prayer, and opportunities to present a review of progress by the members of the congregation involved in various activities of the Church.

Members are encouraged to bring questions or matters of concern to the Trustees. The Elders consider all points raised and respond as they deem appropriate, keeping other Trustees informed at monthly meetings of the full Church Council.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The Elders assess progress on a continual basis at their regular Tuesday evening meetings and bring everything to the Lord in prayer, feeding back to the congregation through individual letters, the bi-monthly church magazine and announcements in the Sunday and other services.

Positive and negative factors that affected the achievement of objectives and how future plans are affected

We have been blessed with a Pastor who has been enabled to preach to us and teach us in thoughtful and helpful ways. Through this ministry we are seeing new individuals brought to a saving knowledge of Christ, and Christians growing spiritually.

As well as benefiting from the ministry, there are many members who are actively engaged in the work, mostly unpaid but some paid, as teachers, helpers, evangelists, cleaners, book and coffee shop assistants, missionaries, encouragers and youth workers. We are grateful for the tireless efforts of so many who, in His name give willingly of their time to run these activities - and those also who work so hard behind the scenes to make sure that the environment is safe and suitable in many other ways for these things to continue. Our God is good.

Principal risks and uncertainties

Despite the ongoing impact of Covid 19, the Church has been able to continue to budget sufficiently to maintain the buildings and keep them in a good state of repair. As stated in previous reports, we are advised that at some point over the next 20 years we will find it necessary to undertake substantial repair work or indeed replace the main church roof. The trustees have taken the view that to keep funds aside for an event that could be a decade or more in the future is not appropriate and that the need to replace the roof will be addressed as and when it becomes clear that it is necessary. Unless, anything significant occurs in 2022 then reference to replacing the church roof should be removed from future reports. The trustees have agreed that the reserves should not be less than £100,000 at any time, and this can be used in an extreme situation to offset such eventualities.

Covid 19

The measures taken by the Church to handle the Covid 19 pandemic have resulted in continued disruption to the work and activities of the Church. Indeed it still remains a possibility that basket donations will not be re-introduced once all restrictions are removed. Consequently, other forms of Sunday giving may be researched, such as contactless payments.

The Church has, again, taken full advantage of the Government's furlough scheme in 2021. The four coffee shop employees were furloughed until the middle of May. Once permissible, the coffee shop reopened in May.

All the activities of the Church, such as Sunday services, midweek prayer meetings, Sunday schools etc were performed fully under the restrictions and guidelines laid down by the Welsh Government. The Church has been supported and helped by the congregation; in particular, individuals have performed great work in keeping the church open, interpreting and implementing the guidelines, and running the technology that allows all the services to be available online.

Property maintenance during 2021

With the Covid-19 restrictions and associated difficulties in gaining a prompt response from contractors, much of the planned maintenance and improvement work to the church premises has been further deferred to 2022 or beyond. It proved particularly difficult to arrange inspection of the deteriorating the timber louvres on the stair tower roofs, but the erection of scaffolding during January 2022 will enable a professional report to be obtained and remedial work to progress.

Although delayed on occasions, routine inspection, testing, servicing, and cyclic maintenance work continued in order to satisfy safety and statutory obligations. Water systems have been regularly flushed and tested for the presence of Legionella and other bacteria.

Remedial work was necessary following failure of electrical supply to the Church Boiler Room, and improvements were also undertaken to the primary electrical distribution boards in the Church Hall. General maintenance included updating emergency lights, replacement of the motor on the security roller shutter, and sundry roofing repairs.

More major projects saw complete renovation and refitting of The Manse bathroom. Additional large digital screens have been installed in the Church for the display of hymns, images, presentations, and video recordings. A commercial standard "pop up" gazebo was purchased to provide external seating and increase the socially distanced capacity of the Coffee Shop during the summer months.

As reported annually, at some point in the future there will be a major financial requirement for complete re-roofing of the main church building and for repainting the ceiling.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Factors likely to affect future financial performance or position

The trustees are still in the process of reviewing and choosing between potential uses for the current balance of reserves. Given the impact of Covid 19 it was decided to defer any decision until the pandemic eases and balanced decisions could be taken.

It is encouraging to see how many members still want to attend the Sunday services and midweek prayer meeting and Bible study despite restrictions such as socially distanced seating and the wearing of facemasks. It is not possible to assess the long-term impact on church attendance until the lockdown restrictions are fully relaxed.

During the pandemic we concluded that it was not possible to make a definitive link between church finances and numbers attending. This year's partial lockdown and other restrictions have meant that numbers attending have continued to fluctuate widely. We need to see what happens to the income when the pandemic has passed.

FINANCIAL REVIEW

Financial position

The Statement of Financial Activities reports net income for the financial year of £81,081 (2020 - net income £24,646).

During the financial year the Church received legacy income of £106,012, all of which was unrestricted. Of this amount, only £16,000 was spent during the financial year, leaving £90,012 carried forward for 2022 and beyond. Excluding the impact of the legacy money, the Church would in fact be reporting a net deficit for the financial year of £8,931.

The coffee shop continued to run at a deficit. Direct coffee shop income reported at £24,411 with an additional sum of £6,136 received by way of restricted donations. Coffee shop expenditure reported at £58,865 including salary costs and overheads, resulting in a deficit of £28,318.

Principal funding sources

The Church's income takes the form of regular giving via the Church website, and also directly into the Church's bank accounts. Alternatively, members also regularly send cheques directly to the Treasurer for depositing in the bank accounts.

Income from offerings, gift aid and Missionary account held up well at £495,851 compared to £455,404 in 2020. Missionary income from donations was £181,336 (2020 - £136,973). The increase in missionary income is reflected by the excellent response to the appeals for India, Haiti, Israel and the ongoing support for Casa Mea.

The Church claimed £5,667 from the Government's Job Retention Scheme.

Because of restrictions to Church activities due to Covid 19, the usual income from camps, house parties and the coffee shop was depressed compared with pre-pandemic years.

Total income for the year is reported at £632,327, an increase of £129,568 over 2020. The Church was incredibly fortunate and grateful to receive two legacies during 2021 amounting to £106,012.

The coffee shop generated income of £24,411 compared to £20,582 in the prior year.

Reserves policy

The total funds held at the year end stand at £2,312,407 (2020: £2,231,326), of which £53,104 is restricted. However of this amount, the Church has designated funds of £1,940,288 leaving free reserves of £319,015.

The trustees consider that reserves should not be less than £100,000 at any time. This is a relatively modest value compared with the income and expenditure flows. However, at present reserves are considerably in excess of £100,000. The 2021 financial statements show a surplus for the year of £81,018 (operational loss of £8,931 excluding the legacy impact), but there continues to be a degree of caution for 2022 as the lasting impacts of Covid 19 are assessed. The trustees consider it prudent to keep in hand sufficient monies to fund deficits for the next five years. Trustees will consider how to most appropriately apply the remaining surplus reserves following the relaxation of the Covid 19 control measures.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Heath Evangelical Church is constituted as a charitable trust whose governing document is its constitution and trust deed.

Organisational structure

All decisions relating to the spiritual oversight and overall direction of the Church are taken by the Pastor and Elders. All other decisions are made by the Church Council which consists of the Pastor, Elders, Deacons and Church officers.

Appointment of Pastor

The Pastor is elected by the admitted members of the Church by a special resolution passed at a Church meeting.

Election of Elders

Instruction is given to Church members concerning the biblical qualifications of an Elder. Members of the congregation are invited to suggest to the Elders names for consideration. From the names suggested to them, and any others the Elders may consider suitable, the Elders recommend nominees to the Church members, based on the needs of the Church at that time. Their names are then presented to a meeting of Church members called to elect Elders. Those receiving the votes of at least two thirds of the members present and voting are considered duly elected. Those elected are approached by the Pastor and Elders and invited to accept the office. Those persons duly elected as Elders are recognised at an Ordination Service.

Elders are elected for life, or as long as they continue to be members of the church, or until they resign, or until they are removed from office, whichever is the earlier. At least every seven years, a recommendation is placed before the Church members for an election of Elders to be arranged. Should this recommendation be supported by at least two thirds of those present and voting, the necessary arrangements are made.

Election of Deacons

Deacons are elected to office by a meeting of the Church. They are elected from those who have been members of the Church for over three years. Vacancies in the Diaconate are filled by those nominations obtaining the largest number of votes at a Church meeting, provided they receive a minimum of one third of those present and voting. Nominations for election are submitted to the Church Secretary and signed by the proposer, seconder and nominee. All must be members of the Church.

Induction and training of new trustees

Any new deacon elected must have been a member of the Church for a minimum of three years. The pastor, elders, deacons, secretary and treasurer are all trustees. In practice, new trustees have been members for much longer than this. This experience is of great benefit in terms of familiarising trustees with the day to day functioning of the Church and its administrative systems. Information regarding the committees of the Church and roles of key personnel is provided in the annual Members' Directory. Trustees will have received the accounts of the Church for at least the previous three years. New trustees are provided with booklets on the roles and duties of trustees of charities, published by the Charity Commission. The Church Secretary briefs new trustees on the procedures and practices that are unique to Church Council members. The Church Constitution is provided and it gives more detailed information on procedures and practices, including the objectives of the Church.

Key management remuneration

An important pay principle in our pay policies is that our pay scales, salaries and benefits are proportionate to the complexity of role/ responsibilities. We aim to pay around the median for similar roles in similar organisations but not compete on salaries within the public or private sectors. To help us achieve this, we monitor similar charity sector pay trends through available sources.

Related parties

The charity has several trustees in common with Heath Christian Bookshop Trust and has given financial support to this organisation during the year.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Church's finances are subject to external independent examination. The Church has both a Safeguarding Policy and Safeguarding Guidelines which have been approved by and lodged with the Churches Child Protection Advisory Service. Disclosure and Barring Service (DBS) Disclosures have been sought and received for all trustees of the Church and for those who work with children and vulnerable adults in the Church. There is a rolling programme for updating / renewing these DBS Disclosures. The Health and Safety Policy has been revised to ensure compliance with current recommendations. Key personnel have been consulted and the Policy given to all relevant staff. Adaptations and improvements have been made to the Church premises to ensure compliance with the Equality Act 2010. Insurance cover was set in the light of independent advice. The trustees comply with Charity Commission advice and directives in the running of the Church. The trustees are satisfied that major risks are being assessed and systems put in place for their mitigation. Financially, the Church continues to be well supported by members and able to meet all commitments.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1118052

Principal address

122 Whitchurch Road
Heath
CARDIFF
CF14 3LZ

Trustees

R W Akrill (Elder)
A J Barker (Elder)
K Batstone (Elder)
A Bernardelli (Deacon) - Resigned 14.04.21
L Chorbajian (Elder)
A Christofides - appointed 16.02.22
J Cross (Deacon)
T Cross (Deacon)
D E Davies (Elder)
N Evans (Deacon)
W G Evans (Elder)
M Forde (Deacon)
J Gigg (Treasurer)
R Hate (Deacon)
A W Hughes (Pastor)
N J Hunt (Deacon) - Resigned 19.11.21
S H Johnson (Elder) - Resigned 29.03.22
A Jones (Deacon)
G Jones (Deacon)
K J Orchard (Elder)
M S Packianather (Deacon)
M J Pugh (Deacon)
G R Roberts (Deacon)
T D Rucinski (Elder and Secretary) - Resigned 01.11.21
P W Tench (Elder)

Independent Examiner

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

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Approved by order of the Board of Trustees on 14-APR-2022 and signed on its behalf by:

R. Hate
R Hate - Deacon

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HEATH EVANGELICAL CHURCH

Independent examiner's report to the trustees of Heath Evangelical Church

I report to the charity trustees on my examination of the accounts of Heath Evangelical Church (the Trust) for the year ended 31 December 2021.

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

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies.

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 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

Date: 19 April 2022

HEATH EVANGELICAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	403,663	203,867	607,530	479,825
Charitable activities	5				
The promotion of Christianity		261	-	261	1,758
Coffee shop		24,411	-	24,411	20,582
Investment income	4	36	-	36	253
Other income		89	-	89	341
Total		428,460	203,867	632,327	502,759
EXPENDITURE ON					
Charitable activities	6				
The promotion of Christianity		291,670	200,711	492,381	422,632
Coffee shop		58,865	-	58,865	55,481
Total		350,535	200,711	551,246	478,113
NET INCOME		77,925	3,156	81,081	24,646
RECONCILIATION OF FUNDS					
Total funds brought forward		2,181,378	49,948	2,231,326	2,206,680
TOTAL FUNDS CARRIED FORWARD		<u>2,259,303</u>	<u>53,104</u>	<u>2,312,407</u>	<u>2,231,326</u>

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

BALANCE SHEET
31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	12	1,849,504	-	1,849,504	1,843,457
CURRENT ASSETS					
Debtors	13	11,088	4,420	15,508	19,779
Cash at bank and in hand		<u>407,201</u>	<u>48,684</u>	<u>455,885</u>	<u>373,285</u>
		418,289	53,104	471,393	393,064
CREDITORS					
Amounts falling due within one year	14	(8,490)	-	(8,490)	(5,195)
NET CURRENT ASSETS		<u>409,799</u>	<u>53,104</u>	<u>462,903</u>	<u>387,869</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,259,303</u>	<u>53,104</u>	<u>2,312,407</u>	<u>2,231,326</u>
NET ASSETS		<u>2,259,303</u>	<u>53,104</u>	<u>2,312,407</u>	<u>2,231,326</u>
FUNDS	16				
Unrestricted funds				2,259,303	2,181,378
Restricted funds				<u>53,104</u>	<u>49,948</u>
TOTAL FUNDS				<u>2,312,407</u>	<u>2,231,326</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 14 APR - 2022 and were signed on its behalf by:

R Hate
R Hate - Deacon

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>92,023</u>	<u>27,235</u>
Net cash provided by operating activities		<u>92,023</u>	<u>27,235</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(9,459)	(830)
Interest received		<u>36</u>	<u>253</u>
Net cash used in investing activities		<u>(9,423)</u>	<u>(577)</u>
Change in cash and cash equivalents in the reporting period		82,600	26,658
Cash and cash equivalents at the beginning of the reporting period		<u>373,285</u>	<u>346,627</u>
Cash and cash equivalents at the end of the reporting period		<u>455,885</u>	<u>373,285</u>

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	81,081	24,646
Adjustments for:		
Depreciation charges	3,412	7,349
Interest received	(36)	(253)
Decrease/(increase) in debtors	4,271	(4,011)
Increase/(decrease) in creditors	<u>3,295</u>	<u>(496)</u>
Net cash provided by operations	<u>92,023</u>	<u>27,235</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank and in hand	<u>373,285</u>	<u>82,600</u>	<u>455,885</u>
	<u>373,285</u>	<u>82,600</u>	<u>455,885</u>
Total	<u>373,285</u>	<u>82,600</u>	<u>455,885</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATUTORY INFORMATION

Heath Evangelical Church 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 charity's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to advance the Christian faith, to relieve sickness and financial hardship and to preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Pastors, Elders and Church Council from time to time may think fit.

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.

There have been no material departures from Financial Reporting Standard 102.

Going concern

No material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

The trustees are satisfied that despite the Coronavirus pandemic, it is appropriate for the charity's financial statements to be prepared on a going concern basis. 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 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 includes income received from camps, coffee shop and similar sources. 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. Such income is only deferred when the amounts received are in advance of the performance of the service to which it relates.

Investment income is recognised on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Income

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

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..

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff costs, finance costs, general office and premises costs, and governance costs which support the activities of the charity. These costs have been allocated to charitable activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Financial instruments

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

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.

Tangible fixed assets

Fixed assets are capitalised at cost.

The charity has previously adopted a policy of revaluing its freehold property to fair value, however advantage has been taken of the transitional exemptions of FRS 102 and the previous revalued amount is now being treated as deemed 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 contents	- 25% on cost
Motor vehicles	- 25% on reducing balance
Equipment	- 25% on cost

Depreciation is not charged on the properties as the Church Council are committed to ensuring they are maintained to a high standard.

Taxation

The charity is exempt from tax on its charitable activities.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued**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.

Designated funds are created for specific purposes at the discretion of the trustees.

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

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Grants	5,667	24,421
Offerings, covenants, gift aid & other donations	314,515	318,431
Missionary account	181,336	136,973
Legacies	<u>106,012</u>	<u>-</u>
	<u>607,530</u>	<u>479,825</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Cardiff Council - grant to support local business	-	10,000
Coronavirus Job Retention Scheme	<u>5,667</u>	<u>14,421</u>
	<u>5,667</u>	<u>24,421</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>36</u>	<u>253</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Camps income	The promotion of Christianity	261	-
House party fees	The promotion of Christianity	-	1,758
Coffee shop income	Coffee shop	<u>24,411</u>	<u>20,582</u>
		<u>24,672</u>	<u>22,340</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
The promotion of Christianity	467,400	24,981	492,381
Coffee shop	58,865	-	58,865
	<u>526,265</u>	<u>24,981</u>	<u>551,246</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021 £	2020 £
Staff costs	136,755	140,217
Staff expenses	404	914
Insurance, fire and security	10,010	9,449
Missionary support	205,220	160,693
Telephone	956	3,302
Sundries	5,633	4,541
Support to Heath Christian Bookshop Trust	10,188	9,750
Discretionary grant payments	35,916	11,149
Heat, light & water rates	16,099	12,852
Repairs and maintenance	27,581	22,544
Sunday school and youth work	516	712
Gospel Support Wales	1,750	500
Minibuses	741	297
Pulpit supply	3,850	5,525
House party costs	395	2,726
Heath camps	1,442	400
Catering and hospitality	1,401	650
Magazine costs	2,675	1,834
Coffee shop direct costs	15,904	12,881
Coffee shop salaries and wages	35,660	37,413
Coffee shop social security	2,115	760
Coffee shop pensions	1,398	1,446
Coffee shop heat light & water	2,943	2,981
Media outreach	3,301	2,140
Depreciation	3,412	7,349
	<u>526,265</u>	<u>453,025</u>

Within direct costs are grants payable of £35,916. This includes:

	No.	£
Grants payable to individuals	17	18,872
Grants payable to institutions	8	17,044

Charitable Objective	Description	Individuals£	Institutions£	Total£
b	Hardship relief UK	4,445	-	4,445
a	Theological training	2,200	-	2,200
a	Evangelical churches + AECW	-	17,044	17,044
a	Evangelistic activities	9,826	-	9,826
a&b	Support for former pastors	2,400	-	2,400
		<u>18,872</u>	<u>17,044</u>	<u>35,916</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

7. DIRECT COSTS OF CHARITABLE ACTIVITIES - continued

Examples of grants awarded to institutions are as follows:

Organisation	Purpose	£
Heath Christian Bookshop	Sale of Christian Books	10,188
UFM Worldwide	Churches representation	10,000
AECW	Churches representation	1,000
EMW	Churches representation	1,500
Union Foundation	Churches representation	1,000
Christian Institute	Churches representation	1,000

8. SUPPORT COSTS

	Staff costs £	Other £	Governance costs £	Totals £
The promotion of Christianity	<u>12,007</u>	<u>9,554</u>	<u>3,420</u>	<u>24,981</u>

Included within support costs are independent examination fees of £3,420 (2020 - £3,420).

9. TRUSTEES' REMUNERATION AND BENEFITS

The following payments were made to trustees and connected persons:-

Remuneration and benefits as employees:

	2021 £	2020 £
K Batstone for pastoral work	7,080	6,932
A W Hughes as pastor	34,328	34,022
L Chorbajian for pastoral work	<u>26,112</u>	<u>25,879</u>

A W Hughes (Pastor) occupied the Church Manse as a condition of his employment, until December 2021. The Church maintains the Manse and meets the cost of gas, electricity, and the telephone (land line).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 or for the year ended 31 December 2020.

10. STAFF COSTS

	2021 £	2020 £
Wages and salaries	173,692	175,735
Social security costs	7,232	7,198
Pension costs	<u>7,011</u>	<u>7,576</u>
	<u>187,935</u>	<u>190,509</u>

The average number of staff employed by the charity during the financial year amounted to 13 (2020: 12).

No employee earned more than £60,000 during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. PREVIOUS YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	336,346	143,479	479,825
Charitable activities			
The promotion of Christianity	1,758	-	1,758
Coffee shop	20,582	-	20,582
Investment income	253	-	253
Other income	341	-	341
Total	359,280	143,479	502,759
EXPENDITURE ON			
Charitable activities			
The promotion of Christianity	275,855	146,777	422,632
Coffee shop	54,775	706	55,481
Total	330,630	147,483	478,113
NET INCOME/(EXPENDITURE)	28,650	(4,004)	24,646
RECONCILIATION OF FUNDS			
Total funds brought forward	2,152,728	53,952	2,206,680
TOTAL FUNDS CARRIED FORWARD	<u>2,181,378</u>	<u>49,948</u>	<u>2,231,326</u>

12. TANGIBLE FIXED ASSETS

	Church, hall & annexe buildings £	Manse £	Fixtures, fittings & contents £
COST			
At 1 January 2021	1,486,753	350,000	79,764
Additions	-	-	964
At 31 December 2021	<u>1,486,753</u>	<u>350,000</u>	<u>80,728</u>
DEPRECIATION			
At 1 January 2021	-	-	79,101
Charge for year	-	-	670
At 31 December 2021	<u>-</u>	<u>-</u>	<u>79,771</u>
NET BOOK VALUE			
At 31 December 2021	<u>1,486,753</u>	<u>350,000</u>	<u>957</u>
At 31 December 2020	<u>1,486,753</u>	<u>350,000</u>	<u>663</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

12. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Equipment £	Totals £
COST			
At 1 January 2021	19,400	90,364	2,026,281
Additions	-	8,495	9,459
At 31 December 2021	19,400	98,859	2,035,740
DEPRECIATION			
At 1 January 2021	17,661	86,062	182,824
Charge for year	435	2,307	3,412
At 31 December 2021	18,096	88,369	186,236
NET BOOK VALUE			
At 31 December 2021	1,304	10,490	1,849,504
At 31 December 2020	1,739	4,302	1,843,457

Depreciation is not charged on the properties as the Church Council are committed to ensuring they are maintained to a high standard and it is considered that a significant proportion of the value of its property relates to land.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	15,508	19,779

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other creditors	8,490	5,195

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	331	1,324
Between one and five years	-	331
	331	1,655

The total lease payments recognised as an expense in the year amounted to £1,366 (2020: £1,366).

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

16. MOVEMENT IN FUNDS

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	335,399	13,067	(29,451)	319,015
Missionary fund - designated	-	(19,992)	19,992	-
Gospel Support Wales	2,522	(1,750)	-	772
Fixed Asset Fund	1,843,457	(3,412)	9,459	1,849,504
Legacy fund	-	90,012	-	90,012
	2,181,378	77,925	-	2,259,303
Restricted funds				
Missionary fund	49,948	3,156	-	53,104
TOTAL FUNDS	<u>2,231,326</u>	<u>81,081</u>	<u>-</u>	<u>2,312,407</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	327,448	(314,381)	13,067
Missionary fund - designated	-	(19,992)	(19,992)
Gospel Support Wales	-	(1,750)	(1,750)
Fixed Asset Fund	-	(3,412)	(3,412)
Legacy fund	101,012	(11,000)	90,012
	428,460	(350,535)	77,925
Restricted funds			
Missionary fund	196,356	(193,200)	3,156
Salary fund	1,375	(1,375)	-
Coffee shop support	6,136	(6,136)	-
	203,867	(200,711)	3,156
TOTAL FUNDS	<u>632,327</u>	<u>(551,246)</u>	<u>81,081</u>

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General fund	299,730	55,499	(19,830)	335,399
Missionary fund - designated	-	(19,000)	19,000	-
Gospel Support Wales	3,022	(500)	-	2,522
Fixed Asset Fund	1,849,976	(7,349)	830	1,843,457
	2,152,728	28,650	-	2,181,378
Restricted funds				
Missionary fund	53,952	(4,004)	-	49,948
TOTAL FUNDS	<u>2,206,680</u>	<u>24,646</u>	<u>-</u>	<u>2,231,326</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

16. 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	359,280	(303,781)	55,499
Missionary fund - designated	-	(19,000)	(19,000)
Gospel Support Wales	-	(500)	(500)
Fixed Asset Fund	-	(7,349)	(7,349)
	359,280	(330,630)	28,650
Restricted funds			
Missionary fund	141,073	(145,077)	(4,004)
Salaries fund	1,700	(1,700)	-
Coffee shop support	706	(706)	-
	143,479	(147,483)	(4,004)
TOTAL FUNDS	<u>502,759</u>	<u>(478,113)</u>	<u>24,646</u>

Designated funds

The missionary fund has been set up to deal with income which has been designated by the Church for missionary work.

The Gospel Support Wales fund was set up using a legacy received during 2016. The fund is used to support mission activity within Wales and the rest of the UK.

The fixed asset fund represents the net book value of the tangible fixed assets.

The legacy fund was set up following the receipt of a new legacy in the financial year of £101,012. The Trustee Board has set aside the funds to segregate for internally agreed use, including covering two years of salary costs for the new Assistant Pastor who took up post in February 2022.

Restricted funds

The missionary fund exists to provide financial support to church missionaries in various parts of the world. It is maintained by donations received.

The salaries fund was to enable the Church to employ staff currently on short term contracts beyond their initial two year term.

The coffee shop support fund represents specific donations and the associated gift aid on donations given directly to support the coffee shop during the pandemic closure.

Transfers between funds

The Church designated £19,992 of unrestricted income to be used for Missionary work. This amount was spent during the year.

A transfer of £9,459 has been made from the general fund to the designated fixed asset fund in respect of fixed asset additions in the year.

17. EMPLOYEE BENEFIT OBLIGATIONS

The charity contributes to individual stakeholder pensions. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions due to the employees of the charity and amounted to £7,011 (2020: £7,576). Outstanding contributions at the year end amounted to £Nil (2020: £Nil).

18. RELATED PARTY DISCLOSURES

The charity is connected with the Heath Christian Bookshop Trust in that it has trustees in common. During the year, financial support of £10,188 (2020: £9,750) was given of which £9,000 (2020: £9,000) is from the Church and £1,188 is restricted gifts including tax refunds. There was no balance outstanding at the year end.

O Batstone (son of a trustee) received a grant of £300 (2020: £1,095) as a restricted gift.

G Jones (son of a trustee) received support costs of £2,960 (2020: £2,991) which was funded via restricted donations received by the Church.

The total unconditional donations made to the charity by its trustees amounted to £45,965 (2020: £49,181). In addition, several trustees made donations restricted to providing support to Church missionaries totalling £16,340 (2020 - £15,930).

The total employment benefits of the key management personnel of the charity were £44,702 (2020 - £44,219).

HEATH EVANGELICAL CHURCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants	5,667	24,421
Offerings, covenants, gift aid & other donations	314,515	318,431
Missionary account	181,336	136,973
Legacies	<u>106,012</u>	<u>-</u>
	607,530	479,825
Investment income		
Deposit account interest	36	253
Charitable activities		
Camps income	261	-
Coffee shop income	24,411	20,582
House party fees	<u>-</u>	<u>1,758</u>
	24,672	22,340
Other income		
Miscellaneous income	<u>89</u>	<u>341</u>
Total incoming resources	632,327	502,759
EXPENDITURE		
Charitable activities		
Wages	126,643	128,289
Social security	4,691	6,289
Pensions	5,421	5,639
Staff expenses	404	914
Insurance, fire and security	10,010	9,449
Missionary support	205,220	160,693
Telephone	956	3,302
Sundries	5,633	4,541
Support to Heath Christian Bookshop Trust	10,188	9,750
Discretionary grant payments	35,916	11,149
Heat, light & water rates	16,099	12,852
Repairs and maintenance	27,581	22,544
Sunday school and youth work	516	712
Gospel Support Wales	1,750	500
Minibuses	741	297
Pulpit supply	3,850	5,525
House party costs	395	2,726
Heath camps	1,442	400
Catering and hospitality	1,401	650
Magazine costs	2,675	1,834
Coffee shop direct costs	15,904	12,881
Coffee shop salaries and wages	35,660	37,413
Coffee shop social security	2,115	760
Coffee shop pensions	1,398	1,446
Coffee shop heat light & water	2,943	2,981
Media outreach	3,301	2,140
Carried forward	522,853	445,676

This page does not form part of the statutory financial statements

HEATH EVANGELICAL CHURCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Charitable activities		
Brought forward	522,853	445,676
Fixtures and fittings depreciation	670	677
Motor vehicle depreciation	435	580
Equipment depreciation	<u>2,307</u>	<u>6,092</u>
	526,265	453,025
Support costs		
Staff costs		
Wages	11,389	10,033
Social security	426	149
Pensions	<u>192</u>	<u>491</u>
	12,007	10,673
Other		
Advertising	1,435	1,584
Heat, light & water rates	176	130
Insurance, fire and security	1,112	1,050
Repairs and maintenance	708	460
Postage and stationery	2,858	3,210
Flowers and wreaths	517	66
Legal and professional fees	1,547	3,214
Bank charges	<u>1,201</u>	<u>1,281</u>
	9,554	10,995
Governance costs		
Independent examination fees	<u>3,420</u>	<u>3,420</u>
Total resources expended	<u>551,246</u>	<u>478,113</u>
Net income	<u>81,081</u>	<u>24,646</u>

Accounts

REGISTERED CHARITY NUMBER: 1118052

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020
FOR
HEATH EVANGELICAL CHURCH**

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

HEATH EVANGELICAL CHURCH

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FOR THE YEAR ENDED 31 DECEMBER 2020

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HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. 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 objects of the charity (taken from the Governing Document) are:

- a) to advance the Christian faith in accordance with the Statement of Doctrines referred to in Schedule 1 and Schedule 2 of the governing document in such ways and in such parts of the United Kingdom or the rest of the world as the Pastor and Elders from time to time may think fit.
- b) as subsidiary to (a) above (and only as subsidiary) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Church Council from time to time may think fit.

Significant activities

The church activities continued as previous years until March 2020 when the lock down due to the COVID-19 pandemic prevented public meetings. Since then, activities were held via live streaming and when guidelines permitted in the buildings were used for worship on the Lord's day and as able on Wednesday evening for prayer and Bible study with risk assessments in place and adhered to.

Activities and meetings (including those for public benefit)

The following meetings and activities are open to non-members as well as members of the Church. Many of the meetings are attended by the public, particularly those in the local community:

SUNDAY:

CHURCH SERVICE 10.45am
Morning Sunday Schools (Church Hall & Annexe)
CHURCH SERVICE 6.00 pm
Informal Fellowship Meeting (Church Hall)

MONDAY:

Missionary Prayer Meeting (Lecture Room)
Music and Movement for Toddlers (term-time Hall)
BIBLE Study 7.30pm (Church Hall)
Home Bible Study Groups 7.30pm (first Monday of the month)

TUESDAY

Seniors Coffee Morning (one2two)
International Ladies' Bible Study (one2two)
Llanishen Youth Activity Meeting (St Faith's)

WEDNESDAY:

Women's Bible Class (Church Hall)
PRAYER MEETING (Hall) 7.30pm

THURSDAY

Toddler Group (term-time Church Hall)

FRIDAY

Internationals English Conversation Class (one2two)
Youth Activity Meetings
4-7 years (Church Hall)
7-11 years (Annexe)
11-18 years (Church Hall)
Open House for Internationals (one2two)
Seniors' Lunch

SATURDAY

Youth Fellowship Meeting (14-18 years - (one2two)
Youth Fellowship Meeting (18-25 one2two)
Ladies Reading Group (monthly - one2two)

After March 2020 many of these meetings were continued online and were again available to members and non-members alike.

MISCELLANEOUS EVENTS (ADDITIONAL TO REGULAR WEEKLY/MONTHLY ACTIVITIES) were not held after March 2020 on the premises this year.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Significant activities

The Church allows the Annexe building to be used as a polling station in local/general elections and the church premises were used to host an MP surgery and as an emergency facility for a neighbouring school. The church is used as a venue for another school's carol services and for that of Companies House staff. Other Churches, organisations and individuals occasionally made use of Church facilities by arrangement when there was availability and where those activities were in line with the Church constitution.

The sick, needy and dying (members and non-members) are supported and practical help given. These may be visits to private homes, care homes, hospices or hospitals.

Weddings and funerals are conducted on the Church premises (members and non-members).

The Church raises funds for the relief of suffering in parts of the world that experience great hardship e.g. through natural disasters.

A part-time worker supports Iranian asylum seekers and translates the sermons into Farsi each Sunday.

The Church employs a full-time worker to lead the International Student Work, support the young people's work and provide pastoral care for young men.

The Church also employs a full-time Women's Worker to engage in care and discipleship work as well as evangelism among women of all ages.

Access

The aforementioned activities are for the use and participation of all in the community. In order to give as wide an access as possible, the following are provided:

- Physical access to the church buildings complies with the requirements of the Equality Act 2010.

Strategies adopted and activities undertaken to achieve the objects of the charity

In order to further the opportunities to engage the community in the meetings, activities and events of the church, and to wisely review what is currently done, the following are employed:

- Prayer (specific prayer groups, corporate prayer and personal prayer).
- Personal conversation and invitation.
- Advertising and publicity (specialist church newspapers, flyers and leaflets in the community were distributed by Royal Mail, church magazine, notices and announcements at public church meetings).
- Website information, downloads and opportunity for e-mail contact with the church. The Church has Facebook and Twitter pages.
- Video Streaming: Every Sunday both Morning and Evening Services are available as a 'live stream' to anyone who has access to the internet. The broadcasts include hymn singing (recorded), reading, prayer and sermon.
- Seeking information and advice from relevant individuals, churches and organisations about the spiritual and practical needs of missions, groups and individuals on a case by case basis.
- The Elders and Church Council have regular meetings which function in a manner that monitors and reviews the activities and objects of the church.

How the Church measures success in the reporting period

The Elders and Church Council are conscious that it is only in eternity that we will see what the Lord has been doing amongst us. However, we in no way wish to use this as an excuse to abrogate our responsibilities and whilst holding on to the principle that it is His work, not ours, we endeavour to be faithful stewards. As such we look to see the Gospel preached, church members and all others worshipping and fellowshiping with us taught and ministered to, and any facing hardship looked after in practical ways. This report sets out financial information which provides some limited insights into our "success". Other numerical information such as our membership roll, numbers of those attending our meetings and services and "footfall" in our café and the linked Heath Christian Bookshop can be helpful but our main litmus test is the prayer meeting, the Power House of the Church and then not in numbers of those attending. The real test is whether we are attending on the Throne of Grace and our success or otherwise in appealing for God's help in all we seek to do in His Name. We covet more of His Presence and whilst we are not ungrateful for the wonders we see Him doing in individual lives, we long for greater blessing through an outpouring of His Spirit.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Grantmaking

The Church makes discretionary grants to individuals and institutions. Such support is focused on the following categories:

- Theological training for ministerial students and others
- "Our Missionaries" - Christian workers sent out by the Heath Church
- Other missionaries
- Pastors
- Christian workers
- People in financial hardship

The size and duration of grants are considered at the discretion of the elders and recommended to Church Council for approval. In particular we support missionaries and other Christian workers who have been commissioned by our Church. We only provide such support to individuals and organisations whose beliefs and practices fit with Church's aims and objectives. On occasions we also provide humanitarian aid as well as helping in cases of individual financial hardship. Generally, this will be either given directly to beneficiaries or channelled through a trusted intermediary church or other organisation.

Volunteers

The charity's different activities are run mainly by volunteers, most of whom are members of the church.

The many and varied activities of the Church are made possible by the voluntary work of members. Members give their unpaid time to such activities as Sunday school and Bible Classes, Youth and Children's Clubs, audio Ministry, website maintenance, stewarding duties, Church Magazine contributions and editing, and visiting the sick and needy.

Individual members hold specific posts voluntarily. These include the Treasurers (Church, Missionary, Camps and Youth Work), Gift Aid Administrator, Church Secretary, Secretary to the Elders, DBS Administrator, Health and Safety Officer, Chief Steward and Minibus Keeper. Volunteers help to produce leaflets for evangelism and the bimonthly prayer diary. This list is not exhaustive, but it gives a flavour of the breadth of voluntary work. It is impossible to quantify the hours per annum, but it runs into the tens of thousands.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

(Referenced to the two main objects (a) and (b) of the charity)

- The Church met for worship throughout the year, twice on Sunday and throughout the week for prayer, Bible study and activities for young and old. (a) The Pastor began by preaching from Mark and Jonah. The Pastor did not preach for us on the last Sunday of each month. Visiting preachers throughout the year were (in order of preaching) David Jones (Merthyr), Teifi Ebenezer (Brynmawr), Jonathan Thomas (Abergavenny), John Treharne (Llwynhendy), Peter Milsom (Newport), Andrew Love (Llantrisant), John Orchard (Bridgend), Steffan Jones (Pontardawe) and Stuart Olyott. Our trainee pastor Hywel George preached on 10 Sundays throughout the year.
- The Church continued to edit and publish a bi-monthly magazine for distribution to members and other interested parties. (a)
- The Church website continued to be a useful tool for providing information worldwide and welcoming e-mail contact from website visitors. (a)
- Recordings of sermons and Bible studies continued to be provided through the website (downloads) and the audio ministry. (a)
- Financially, the Church was able to meet all its commitments during 2020 through the continued support of its members (a)
- The Church continued to provide financial support for the Heath Christian Bookshop Trust. (a)
- The Church owns 122 Whitchurch Road known as "one2two" which is used as a Christian Bookshop and Coffee Shop. Additional rooms on the first floor are used as an office and a lounge for Church meetings/activities. One2two is a ministry of the Church in the community. (a) (b)
- The Church runs the coffee shop in one2two and employs a coffee shop manager and supervisors. A coffee shop committee is appointed to plan, monitor, review, and report to Church Council. Volunteers along with paid staff serve and help with the day to day operations of the coffee shop. (b)
- A weekly coffee morning is run to foster fellowship and counter loneliness for Seniors within the local community. (a) (b)
- Financial, spiritual and moral support was provided for members serving across the world in Haiti, Africa, Europe and Asia. The Church continued to support the work of one of its missionaries involved in helping to run homes for men and women with physical and/or learning disabilities in Moldova. Several Church members were able to visit Moldova to support this work. Other missionaries were supported financially in their primary task of preaching the Gospel. We also provided help in related work including: three orphanages, vulnerable people in Valencia, a Bible translation project, student work, and materials for training of pastors in rural parts of Kenya. (a) (b)
- Special collections were made at Christmas for hardship reliefs in Haiti / Eastern Europe. (b)
- The Church continued to administer a fund for the relief of financial hardship experienced by individual members and non-members. (b)
- The Church continued to employ an administrative assistant to enable the church office to be open for 5 hours 4 days per week and to help with the efficient running of the church. (a) (b)
- Simultaneous translation in the Sunday services is provided in the Farsi language; also provided is a real time transcription of Sunday Services and prayer meetings for the hearing impaired. (a)
- Hospitality is provided to those in need. (b)

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

- MEETINGS were held (in person prior to March and online after) for various Christian groups (a) (b), for example: Andy Pitt (Merthyr), Iain and Salomi McGee, Maged and Joan Drotta, Steffan Job (EMW), Carwyn Graves (Wycliffe Bible Translators), David Morrish, Alice Mitchell (Commissioning service speakers included Jeremy Tice (World Partners) and Christos Papadopoulos (Cyprus Fellowship of Evangelical Students), Michael Prest (UFM) and Dustin Benge (Union School of Theology).

Progress the Church has made against its objectives

Wednesday evening meetings involve a Bible study, time of prayer opportunities to present a review of progress by the members of the congregation involved in various activities of the Church.

Members are encouraged by the Secretary on at least a monthly basis to bring questions or matters of concern to the Trustees. The Elders consider all points raised and respond as they deem appropriate keeping other Trustees informed at monthly meetings of the full Church Council.

The Elders take stock of progress on a continual basis at their regular Tuesday evening meetings and bring everything to the Lord in prayer feeding back to the congregation through individual letters, bi-monthly church magazine and announcements in Sunday and other services. The announcements in Sunday services are carried by the Church Secretary.

Positive and negative factors that affected the achievement of objectives and how future plans are affected

We have been blessed with a Pastor who has been enabled to preach to us and teach us in thoughtful and helpful ways. Through this ministry we are seeing new births, individuals brought to a saving knowledge of Christ, and Christians growing spiritually. As well as benefiting from the ministry there are many of us who are actively engaged in the work, mostly unpaid but some paid, as teachers, helpers, evangelists, cleaners, book and coffee shop assistants, missionaries, encouragers and youth workers.

The Prayer Meetings are a source of encouragement although this work is the hardest of all and we need a greater sense of urgency in asking for His help.

We are grateful for the tireless efforts of so many who, in His name give willingly of their time to run these activities - and those also who work so hard behind the scenes to make sure that the environment is safe and suitable in many other ways for these things to continue. Our God is good.

While we have so much to be thankful for during 2020, we might point out of particular note that:

- regular live broadcasting of Sunday services on YouTube grew in viewership
- regular outreach to residential care establishments included Bethel House, Lakeside and Ty Coch residential homes and subsequent to lock down, podcasts have been recorded and made available for the residents.

Principal funding sources

The Church's income takes the form of regular giving on Sundays and also directly to the Church's bank accounts. Following lockdown in March 2020, when Sunday services were no longer possible, a Donate button was implemented on the Church's website. This has proved to be a very successful source of income for the Church replacing the Sunday basket donations. Alternatively, members also regularly send cheques directly to the Treasurer for depositing in the bank accounts.

The Church claimed £14,421 from the Government's Job Retention Scheme and also claimed a lockdown grant of £10,000 from Cardiff Council.

Due to lockdown the usual income from camps, house parties and the coffee shop was very much reduced compared to previous years.

Total income of £502,759 is down in comparison with 2019 (£550,875), almost entirely due to the reduction in monies from camps and coffee shop. Income from offerings, gift aid and Missionary account held up very well at £455,404 compared to 2019 (£455,464).

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Principal risks and uncertainties

Despite the impact of COVID-19, the Church has been able to continue to budget sufficiently to maintain the buildings and keep them in a good state of repair. As stated in previous reports, we are advised that at some point over the next 20 years we will find it necessary to undertake substantial repair work or indeed replace the main Church roof. The trustees have taken the view that to keep funds aside for an event that could be a decade or more in the future is not appropriate and that the need to replace the roof will be addressed as and when it becomes clear that it is necessary. The trustees have agreed that the reserves should not be less than £100,000 at any time, and this can be used in an extreme situation to offset such eventualities.

Covid-19

The measures taken by the Church to handle the Covid-19 pandemic have resulted in a high level of disruption which has had an impact on the work and activities of the Church. It was a concern that the suspension of Sunday services would have a major impact on a very important income stream. Fortunately, this has largely proven to be unfounded as members and individuals have used the website Donate button, set up standing orders with the bank or sent cheques directly to the Treasurer. When Sunday services and some other meetings were re-started towards the end of 2020 the return to basket donations was not restored in line with Government guidelines. In fact, there is a possibility that basket donations will not be introduced again once all lockdown rules are removed and other forms of Sunday giving will be researched, such as contactless payments.

The Church has taken full advantage of the Government's furlough scheme. Coffee shop employees, the caretaker and Church cleaner were fully furloughed for most of the year. Given the continued closure of shops, the coffee shop remains closed, after a short period of being open for normal hours, and all staff have been partly furloughed. The coffee shop is open for a short period during the day to supply free meals for 'people in need', which has had a very good uptake.

The Church also took advantage of a grant provided by Cardiff Council for coffee shops impacted by Covid-19.

All the activities of the Church, such as Sunday services, midweek prayer meetings, Sunday schools etc are performed fully under the restrictions and guidelines laid down by the Welsh Government. The Church has been supported and helped by the congregation, in particular, individuals have performed great work in keeping the Church open, interpreting and implementing the guidelines, installing and running the technology that allows all the services to be available online.

The overall 2020 financial position for the Church shows that, despite the major impact of Covid-19, the Church has managed to come through the year in a very good position and has managed to control and limit the issues from what has been a very difficult year.

Property maintenance during 2020

With the Covid-19 restrictions during 2020, much of the planned maintenance and improvement work to the Church premises and manse has been deferred to 2021 or beyond. During periods of closure, arrangements were made for regular inspection of the premises and testing of the fire detection and alarm system to protect the assets and to satisfy insurance requirements.

Signage, sanitiser dispensers, social distancing and other arrangements to mitigate the risk of transfer of the virus were put in place prior to reopening following lockdown. A fresh Legionella Risk Assessment was prepared by consultant engineers, water sampled and tested, and recommended work implemented for water systems throughout the premises. Opportunity was taken to replace the deteriorating Bookshop carpet tiles and to undertake further fire safety works following a professional review of the Fire Risk Assessment.

General maintenance has continued where possible, including upgrading emergency lighting, electrical, and roofing repairs. Routine servicing and cyclic maintenance costs continue to be incurred annually to satisfy safety and statutory obligations.

On annual inspection it was noted that the timber louvres on the stair tower roofs are deteriorating and will require remedial work and redecoration as soon as possible. The structure of the boiler room roof will also need attention. At some point in the future there will be a major financial requirement for complete re-roofing of the main Church building and for repainting the Church ceiling.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Factors likely to affect future financial performance or position

The trustees are still in the process of reviewing and choosing between potential uses for the current balance of reserves. Given the impact of Covid-19 it was decided to defer any decision until the lockdown eases and balanced decisions could be taken.

It is encouraging to see how many members still want to attend Sunday services and the midweek prayer and bible study, despite the severe restrictions such as, social distanced seating, facemasks, no singing or praying out loud, no friendly conversations with your neighbour. It is not possible to assess the long-term impact on Church attendance when the lockdown restrictions are fully relaxed or greatly eased.

Last year's report mentioned that it was not possible to make a definite link between Church finances and numbers attending. This year shows that in what has been a difficult year the income has held up very well despite total lockdown when no one could attend a service and partial lockdown when the numbers have been greatly reduced. We need to see what happens to the income if individuals are still reluctant to return to the meetings and the perceived crisis has passed.

FINANCIAL REVIEW

The total funds held at the year end stand at £2,231,326 (2019: £2,206,680). However, of this amount, the church has restricted funds of £49,948 and designated funds of £1,845,979 leaving free reserves of £335,399.

Reserves policy

The trustees consider that reserved should not be less than £100,000 at any time. This is a relatively modest value compared with the income and expenditure flows. However, at present reserves are considerably in excess of £100,000. The 2020 financial statements show an operational surplus for the year of £24,646 but there continues to be a degree of caution for 2020 as the lasting impacts of Covid-19 are assessed. The trustees consider it prudent to keep in hand sufficient monies to fund deficits for the next five years. Trustees will consider how to most appropriately apply the remaining surplus reserves following the relaxation of the Covid-19 lockdown measures.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Heath Evangelical Church is constituted as a charitable trust whose governing document is its constitution and trust deed.

Organisational structure

All decisions relating to the spiritual oversight and overall direction of the Church are taken by the Pastor and Elders. All other decisions are made by the Church Council which consists of the Pastor, Elders, Deacons and Church officers.

Appointment of Pastor

The Pastor is elected by the admitted members of the Church by a special resolution passed at a Church meeting.

Election of Elders

Instruction is given to Church members concerning the biblical qualifications of an Elder. Members of the congregation are invited to suggest to the Elders names for consideration. From the names suggested to them, and any others the Elders may consider suitable, the Elders recommend nominees to the Church members, based on the needs of the Church at that time. Their names are then presented to a meeting of Church members called to elect Elders. Those receiving the votes of at least two thirds of the members present and voting are considered duly elected. Those elected are approached by the Pastor and Elders and invited to accept the office. Those persons duly elected as Elders are recognised at an Ordination Service.

Elders are elected for life, or as long as they continue to be members of the church, or until they resign, or until they are removed from office, whichever is the earlier. At least every seven years, a recommendation is placed before the Church members for an election of Elders to be arranged. Should this recommendation be supported by at least two thirds of those present and voting, the necessary arrangements are made.

Election of Deacons

Deacons are elected to office by a meeting of the Church. They are elected from those who have been members of the Church for over three years. Vacancies in the Diaconate are filled by those nominations obtaining the largest number of votes at a Church meeting, provided they receive a minimum of one third of those present and voting. Nominations for election are submitted to the Church Secretary and signed by the proposer, seconder and nominee. All must be members of the Church.

HEATH EVANGELICAL CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Any new deacon elected must have been a member of the Church for a minimum of three years. The pastor, elders, deacons, secretary and treasurer are all trustees. In practice, new trustees have been members for much longer than this. This experience is of great benefit in terms of familiarising trustees with the day to day functioning of the Church and its administrative systems. Information regarding the committees of the Church and roles of key personnel is provided in the annual Members' Directory. Trustees will have received the accounts of the Church for at least the previous three years. New trustees are provided with booklets on the roles and duties of trustees of charities, published by the Charity Commission. The Church Secretary briefs new trustees on the procedures and practices that are unique to Church Council members. The Church Constitution is provided, and it gives more detailed information on procedures and practices, including the objectives of the Church.

Key management remuneration

An important pay principle in our pay policies is that our pay scales, salaries and benefits are proportionate to the complexity of role/ responsibilities. We aim to pay around the median for similar roles in similar organisations but not compete on salaries within the public or private sectors. To help us achieve this, we monitor similar charity sector pay trends through available sources.

Related parties

The charity has several trustees in common with Heath Christian Bookshop Trust and has given financial support to this organisation during the year.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Church's finances are subject to external independent examination. The Church has both a Safeguarding Policy and Safeguarding Guidelines which have been approved by and lodged with the Churches Child Protection Advisory Service. Disclosure and Barring Service (DBS) Disclosures have been sought and received for all trustees of the Church and for those who work with children and vulnerable adults in the Church. There is a rolling programme for updating / renewing these DBS Disclosures. The Health and Safety Policy has been revised to ensure compliance with current recommendations. Key personnel have been consulted and the Policy given to all relevant staff. Adaptations and improvements have been made to the Church premises to ensure compliance with the Equality Act 2010. Insurance cover was set in the light of independent advice. The trustees comply with Charity Commission advice and directives in the running of the Church. The trustees are satisfied that major risks are being assessed and systems put in place for their mitigation. Financially, the Church continues to be well supported by members and able to meet all commitments.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1118052

Principal address

122 Whitchurch Road
Heath
CARDIFF
CF14 3LZ

HEATH EVANGELICAL CHURCH

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

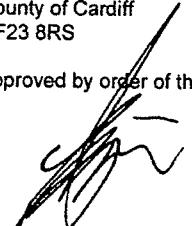
Trustees

R W Akrell (Elder)
A J Barker (Elder)
K Batstone (Elder)
A Bernardelli (Deacon)
L Chorbajian (Elder)
J Cross (Deacon)
T Cross (Deacon)
D E Davies (Elder)
N Evans (Deacon)
W G Evans (Elder)
M Forde (Deacon)
R Hate (Deacon)
A W Hughes (Pastor)
N J Hunt (Deacon)
S H Johnson (Elder)
A Jones (Deacon)
G Jones (Deacon)
K J Orchard (Elder)
M S Packianather (Deacon)
M J Pugh (Deacon)
G H Roberts (Elder) - Resigned 04.12.20
G R Roberts (Deacon)
T D Rucinski (Elder and Secretary)
P W Tench (Elder)

Independent examiner

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

Approved by order of the Board of Trustees on 6/4/2021 and signed on its behalf by:


.....
T D Rucinski - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HEATH EVANGELICAL CHURCH

Independent examiner's report to the trustees of Heath Evangelical Church

I report to the charity trustees on my examination of the accounts of the Heath Evangelical Church (the Trust) for the year ended 31 December 2020.

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

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies

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 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

8 April 2021

HEATH EVANGELICAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	336,346	143,479	479,825	455,464
Charitable activities	5				
The promotion of Christianity		1,758	-	1,758	29,958
Coffee shop		20,582	-	20,582	54,948
Investment income	4	253	-	253	573
Other income		341	-	341	9,932
Total		359,280	143,479	502,759	550,875
EXPENDITURE ON					
Charitable activities	6				
The promotion of Christianity		275,855	146,777	422,632	502,894
Coffee shop		54,775	706	55,481	60,062
Total		330,630	147,483	478,113	562,956
NET INCOME/(EXPENDITURE)		28,650	(4,004)	24,646	(12,081)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,152,728	53,952	2,206,680	2,218,761
TOTAL FUNDS CARRIED FORWARD		<u>2,181,378</u>	<u>49,948</u>	<u>2,231,326</u>	<u>2,206,680</u>

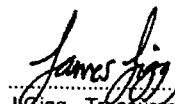
The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

BALANCE SHEET AT 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	12	1,843,457	-	1,843,457	1,849,976
CURRENT ASSETS					
Debtors	13	15,377	4,402	19,779	15,768
Cash at bank and in hand		<u>327,739</u>	<u>45,546</u>	<u>373,285</u>	<u>346,627</u>
		343,116	49,948	393,064	362,395
CREDITORS					
Amounts falling due within one year	14	(5,195)	-	(5,195)	(5,691)
NET CURRENT ASSETS		<u>337,921</u>	<u>49,948</u>	<u>387,869</u>	<u>356,704</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,181,378</u>	<u>49,948</u>	<u>2,231,326</u>	<u>2,206,680</u>
NET ASSETS		<u>2,181,378</u>	<u>49,948</u>	<u>2,231,326</u>	<u>2,206,680</u>
FUNDS	16				
Unrestricted funds				2,181,378	2,152,728
Restricted funds				<u>49,948</u>	<u>53,952</u>
TOTAL FUNDS				<u>2,231,326</u>	<u>2,206,680</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 5/4/2021 and were signed on its behalf by:


James Gigg - Treasurer

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>27,235</u>	<u>(6,967)</u>
Net cash provided by (used in) operating activities		<u>27,235</u>	<u>(6,967)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(830)	(4,302)
Interest received		<u>253</u>	<u>573</u>
Net cash provided by (used in) investing activities		<u>(577)</u>	<u>(3,729)</u>
Change in cash and cash equivalents in the reporting period		26,658	(10,696)
Cash and cash equivalents at the beginning of the reporting period		<u>346,627</u>	<u>357,323</u>
Cash and cash equivalents at the end of the reporting period		<u>373,285</u>	<u>346,627</u>

The notes form part of these financial statements

HEATH EVANGELICAL CHURCH

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	24,646	(12,081)
Adjustments for:		
Depreciation charges	7,349	9,061
Interest received	(253)	(573)
Increase in debtors	(4,011)	(1,405)
Decrease in creditors	<u>(496)</u>	<u>(1,969)</u>
Net cash provided by (used in) operating activities	<u>27,235</u>	<u>(6,967)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/20 £	Cash flow £	At 31/12/20 £
Net cash			
Cash at bank and in hand	346,627	26,658	373,285
Total	<u>346,627</u>	<u>26,658</u>	<u>373,285</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. STATUTORY INFORMATION

Heath Evangelical Church 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 charity's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to advance the Christian faith, to relieve sickness and financial hardship and to preserve good health by the provision of funds, goods or services of any kind in such parts of the United Kingdom or the rest of the world as the Pastors, Elders and Church Council from time to time may think fit.

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 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 Evangelical Church meets the definition of a public benefit entity as demonstrated within the Report of the Trustees.

There have been no material departures from Financial Reporting Standard 102.

Going concern

No material uncertainties exist relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

The trustees are satisfied that despite the Coronavirus pandemic, it is appropriate for the charity's 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.

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

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 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 includes income received from camps, coffee shop and similar sources. 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. Such income is only deferred when the amounts received are in advance of the performance of the service to which it relates.

Investment income is recognised on a receivable basis.

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

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.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff costs, finance costs, general office and premises costs, and governance costs which support the activities of the charity. These costs have been allocated to charitable activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

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.

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.

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixed assets are capitalised at cost.

The charity has previously adopted a policy of revaluing its freehold property to fair value, however advantage has been taken of the transitional exemptions of FRS 102 and the previous revalued amount is now being treated as deemed 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 contents	- 25% on cost
Motor vehicles	- 25% on reducing balance
Equipment	- 25% on cost

Depreciation is not charged on the properties as the Church Council are committed to ensuring they are maintained to a high standard.

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.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Grants	24,421	-
Offerings, covenants, gift aid & other donations	318,431	315,037
Missionary account	136,973	140,427
	<u>479,825</u>	<u>455,464</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Cardiff Council - grant to support local business	10,000	-
Coronavirus Job Retention Scheme	14,421	-
	<u>24,421</u>	<u>-</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

4. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>253</u>	<u>573</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020	2019
		£	£
Camps income	The promotion of Christianity	-	28,085
House party fees	The promotion of Christianity	1,758	1,873
Coffee shop income	Coffee shop	<u>20,582</u>	<u>54,948</u>
		<u>22,340</u>	<u>84,906</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7)	Support costs (See note 8)	Totals
	£	£	£
The promotion of Christianity	397,544	25,088	422,632
Coffee shop	<u>55,481</u>	-	<u>55,481</u>
	<u>453,025</u>	<u>25,088</u>	<u>478,113</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020	2019
	£	£
Staff costs	140,217	130,738
Staff expenses	914	1,297
Insurance, fire and security	9,449	7,803
Missionary support	160,693	162,276
Telephone	3,302	1,088
Sundries	4,541	6,409
Support to Heath Christian Bookshop Trust	9,750	9,750
Discretionary grant payments	11,149	21,196
Heat, light & water rates	12,852	15,084
Repairs and maintenance	22,544	43,529
Sunday school and youth work	712	3,383
Gospel Support Wales	500	3,200
Minibuses	297	1,033
Pulpit supply	5,525	8,015
House party costs	2,726	1,875
Heath camps	400	38,510
Catering and hospitality	650	2,653
Magazine costs	1,834	3,377
Coffee shop direct costs	12,881	18,384
Coffee shop salaries and wages	37,413	32,287
Coffee shop social security	760	767
Coffee shop pensions	1,446	1,437
Coffee shop heat light & water	2,981	6,928
Media outreach	2,140	4,456
Depreciation	7,349	9,061
	<u>453,025</u>	<u>534,536</u>

Within direct costs are grants payable of £11,149. This includes:

	No.	£
Grants payable to individuals	4	5,558
Grants payable to institutions	10	5,591

Charitable Objective	Description	Individuals	Institutions	Total
		£	£	£
b	Hardship relief UK	2,528	-	2,528
a	Theological training	1,230	-	1,230
a	Evangelical churches + AECW	-	5,591	5,591
a	Evangelistic activities	300	-	300
a&b	Support for former pastors	1,500	-	1,500
		5,558	5,591	11,149

Examples of grants awarded to institutions are as follows:

Organisation	Purpose	£
Beirut Church	Churches representation	2,373
AECW	Churches representation	500
EMW	Churches representation	500
WEST	Churches representation	500
Christian Institute	Churches representation	500

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

8. SUPPORT COSTS

	Staff costs £	Other £	Governance costs £	Totals £
The promotion of Christianity	<u>10,673</u>	<u>10,995</u>	<u>3,420</u>	<u>25,088</u>

Included within support costs are independent examination fees of £3,420 (2019 - £3,420).

9. TRUSTEES' REMUNERATION AND BENEFITS

The following payments were made to trustees and connected persons:

Remuneration and benefits as employees:

	2020 £	2019 £
K Batstone for pastoral work	6,932	6,542
A W Hughes as pastor	34,022	33,519
L Chorbadian for pastoral work	<u>25,879</u>	<u>25,497</u>

A W Hughes (Pastor) occupies the Church Manse as a condition of his employment. The Church maintains the Manse and meets the cost of gas, electricity, and the telephone (land line).

The above payments have been made in line with Clause 4.8 of the governing document.

Trustees' expenses

During the year no trustees' expenses were paid.

During the prior year, £1,237 was paid to one trustee in respect of travel expenses.

10. STAFF COSTS

	2020 £	2019 £
Wages and salaries	175,735	162,738
Social security costs	7,198	7,335
Pension costs	<u>7,576</u>	<u>6,970</u>
	<u>190,509</u>	<u>177,043</u>

The average number of staff employed by the charity during the financial year amounted to 12 (2019: 12).

No employee earned more than £60,000 during the year.

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

11. PREVIOUS YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	305,394	150,070	455,464
Charitable activities			
The promotion of Christianity	29,958	-	29,958
Coffee shop	54,948	-	54,948
Investment income	501	72	573
Other income	9,932	-	9,932
Total	400,733	150,142	550,875
EXPENDITURE ON			
Charitable activities			
The promotion of Christianity	357,468	145,426	502,894
Coffee shop	60,062	-	60,062
Total	417,530	145,426	562,956
NET INCOME/(EXPENDITURE)	(16,797)	4,716	(12,081)
RECONCILIATION OF FUNDS			
Total funds brought forward	2,169,525	49,236	2,218,761
TOTAL FUNDS CARRIED FORWARD	2,152,728	53,952	2,206,680

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

12. TANGIBLE FIXED ASSETS

	Church, hall & annexe buildings £	Manse £	Fixtures, fittings & contents £
COST			
At 1 January 2020	1,486,753	350,000	79,764
Additions	-	-	-
At 31 December 2020	<u>1,486,753</u>	<u>350,000</u>	<u>79,764</u>
DEPRECIATION			
At 1 January 2020	-	-	78,424
Charge for year	-	-	677
At 31 December 2020	-	-	<u>79,101</u>
NET BOOK VALUE			
At 31 December 2020	<u>1,486,753</u>	<u>350,000</u>	<u>663</u>
At 31 December 2019	<u>1,486,753</u>	<u>350,000</u>	<u>1,340</u>
	Motor vehicles £	Equipment £	Totals £
COST			
At 1 January 2020	19,400	89,534	2,025,451
Additions	-	830	830
At 31 December 2020	<u>19,400</u>	<u>90,364</u>	<u>2,026,281</u>
DEPRECIATION			
At 1 January 2020	17,081	79,970	175,475
Charge for year	580	6,092	7,349
At 31 December 2020	<u>17,661</u>	<u>86,062</u>	<u>182,824</u>
NET BOOK VALUE			
At 31 December 2020	<u>1,739</u>	<u>4,302</u>	<u>1,843,457</u>
At 31 December 2019	<u>2,319</u>	<u>9,564</u>	<u>1,849,976</u>

Depreciation is not charged on the properties as the Church Council are committed to ensuring they are maintained to a high standard and it is considered that a significant proportion of the value of its property relates to land.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	<u>19,779</u>	<u>15,768</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other creditors	<u>5,195</u>	<u>5,691</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	1,324	1,324
Between one and five years	<u>331</u>	<u>1,654</u>
	<u>1,655</u>	<u>2,978</u>

The total lease payments recognised as an expense in the year amounted to £1,366 (2019: £1,446).

16. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General fund	299,730	55,499	(19,830)	335,399
Missionary fund - designated	-	(19,000)	19,000	-
Gospel Support Wales	3,022	(500)	-	2,522
Fixed Asset Fund	<u>1,849,976</u>	<u>(7,349)</u>	<u>830</u>	<u>1,843,457</u>
	2,152,728	28,650	-	2,181,378
Restricted funds				
Missionary fund	53,952	(4,004)	-	49,948
TOTAL FUNDS	<u>2,206,680</u>	<u>24,646</u>	<u>-</u>	<u>2,231,326</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

16. 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	359,280	(303,781)	55,499
Missionary fund - designated	-	(19,000)	(19,000)
Gospel Support Wales	-	(500)	(500)
Fixed Asset Fund	-	(7,349)	(7,349)
	359,280	(330,630)	28,650
Restricted funds			
Missionary fund	141,073	(145,077)	(4,004)
Salaries fund	1,700	(1,700)	-
Coffee shop support	706	(706)	-
	143,479	(147,483)	(4,004)
TOTAL FUNDS	<u>502,759</u>	<u>(478,113)</u>	<u>24,646</u>

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	Transfers between funds £	At 31/12/19 £
Unrestricted Funds				
General fund	308,568	13,466	(22,304)	299,730
Missionary fund - designated	-	(18,002)	18,002	-
Gospel Support Wales	6,222	(3,200)	-	3,022
Fixed Asset Fund	<u>1,854,735</u>	<u>(9,061)</u>	<u>4,302</u>	<u>1,849,976</u>
	2,169,525	(16,797)	-	2,152,728
Restricted Funds				
Missionary fund	<u>49,236</u>	<u>4,716</u>	<u>-</u>	<u>53,952</u>
TOTAL FUNDS	<u>2,218,761</u>	<u>(12,081)</u>	<u>-</u>	<u>2,206,680</u>

HEATH EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020

16. 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	400,733	(387,267)	13,466
Gospel Support Wales	-	(3,200)	(3,200)
Missionary fund - designated	-	(18,002)	(18,002)
Fixed Asset Fund	-	(9,061)	(9,061)
	400,733	(417,530)	(16,797)
Restricted funds			
Missionary fund	147,829	(143,113)	4,716
Salaries fund	2,313	(2,313)	-
	150,142	(145,426)	4,716
TOTAL FUNDS	<u>550,875</u>	<u>(562,956)</u>	<u>(12,081)</u>

Designated funds

The missionary fund has been set up to deal with income which has been designated by the Church for missionary work.

The Gospel Support Wales fund was set up using a legacy received during 2016. The fund is used to support mission activity within Wales and the rest of the UK.

The fixed asset fund represents the net book value of the tangible fixed assets.

Restricted funds

The missionary fund exists to provide financial support to church missionaries in various parts of the world. It is maintained by donations received.

The salaries fund is to enable the Church to employ staff currently on short term contracts beyond their initial two year term.

The coffee shop support fund represents specific donations and the associated gift aid on donations given directly to support the coffee shop during the pandemic closure.

Transfers between funds

The Church designated £19,000 of unrestricted income to be used for Missionary work. This amount was spent during the year.

A transfer of £830 has been made from the general fund to the designated fixed asset fund in respect of fixed asset additions in the year.

17. PENSION COMMITMENTS

The charity contributes to individual stakeholder pensions. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions due to the employees of the charity and amounted to £7,576 (2019: £6,970). Outstanding contributions at the year end amounted to £Nil (2019: £Nil).

HEATH EVANGELICAL CHURCH

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. RELATED PARTY DISCLOSURES

The charity is connected with the Heath Christian Bookshop Trust in that it has trustees in common. During the year, financial support of £9,750 (2019: £9,750) was given of which £9,000 (2019: £9,000) is from the Church and £750 is restricted gifts including tax refunds. There was no balance outstanding at the year end.

O Batstone (son of a trustee) received a grant of £1,095 (2019: £2,974) as a restricted gift.

G Jones (son of a trustee) received support costs of £2,991 (2019: £2,263) which was funded via restricted donations received by the Church.

The total unconditional donations made to the charity by its trustees amounted to £49,181 (2019: £46,020). In addition, several trustees made donations restricted to providing support to Church missionaries totalling £15,930 (2019 - £18,641).

The total employment benefits of the key management personnel of the charity were £44,219 (2019 - £43,283).