

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

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Report of the Trustees	1 to 9
Independent Examiner's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 26

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

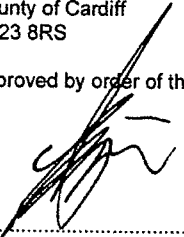
Trustees

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>

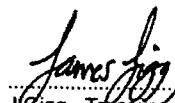
The notes form part of these financial statements

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.

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).