

Charity No. 1130780

Thornton Heath Evangelical Church

Report and Financial Statements

31 December 2023

Thornton Heath Evangelical Church

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Thornton Heath Evangelical Church

Legal and administrative information

Trustees:

Mr SPJ Ridgeway (Pastor)
Mr DA Bristow
Mr DC Damani
Mr L Dente
Mr BFV Hadjard
Mr Ben Harries (appointed 17/07/2024)
Mr SM Harris
Mr Randy Obaze (appointed 17/07/2024)
Mr George Orlebar (appointed 17/07/2024)
Mr EC Powell
Mr PJ Taylor
Mr IE Whybrow

Charity registration number:

1130780

Address:

Corner of Malvern Road and London Road
Thornton Heath
Surrey
CR7 7LH

Bankers:

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ
Lloyds Bank plc, Croydon Central Branch, High Street, Croydon, Surrey, CR9 1TL

Solicitors:

Cooke Matheson, 8/9 Gray's Inn Square, London, WC1R 5JQ

Independent examiner:

Miriam Hickson FCA CTA
Chartered Accountant
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

Thornton Heath Evangelical Church

Report of the trustees for the year ended 31 December 2023

The Trustees submit their annual report and the financial statements for the year ended 31 December 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (Charities SORP (FRS102) and Financial Reporting Standard 102 (FRS102)).

Structure, governance and management

The Church was originally constituted by a Trust Deed dated 20 October 1904 with the object of promoting religion on evangelical protestant lines. In 2009, the Church was registered under the Charities Act 2006, having previously been excepted from registration. The Church adopted a constitution and Church Rules on 22nd October 2008 (ratified on 28th January 2009 as required under the original church rules) and was registered with the Charity Commission on 28th July 2009.

The Church officers (Pastor, Elders, and Deacons) are Managing Trustees under the constitution and are responsible for directing the affairs of the Church in accordance with the aims set out in the constitution and they meet regularly to review the activities of the Church.

The Managing Trustees of the Church are the persons appointed as Church officers as laid down in Section 6 of the constitution, subject to them not being disqualified from being trustees by Section 178 of the Charities Act 2011. Church officers are appointed by the Church membership at a Church Business Meeting, in accordance with Section 2.4 of the Church Rules.

The Trustees who served during 2023 and those in office at the date of this report are set out on page 2.

The Trustees are considered to be the Key Management Personnel of the church.

Objectives and activities

The Church was established with the aim of the advancement of the Christian faith and promoting the evangelical protestant religion. The church seeks to serve the Thornton Heath community through encouraging wholehearted discipleship of Jesus Christ, firstly knowing Him as their Saviour, and also through their love and service for Him. This is continued primarily through public worship each Sunday morning and evening, prayer and Bible study, and through other weekly meetings and activities, including activities for children and young people and a weekly Bible study meeting for women. All of these services and ministries are carried out at its premises in London Road, Thornton Heath, Surrey.

Achievements and performance

The regular services and activities of the Church have continued running throughout the year, namely: the Sunday morning service; Sunday evening service; midweek Bible Study and Prayer Meeting; Parents and Toddlers group; TEFL (conversational English) classes; Ladies afternoon Bible Study, Open Door twice a week; Wayfinders (3–10 year-olds); Engage (11 years +); Bi-monthly Men's and Ladies Breakfasts. In addition, a small team has started going out each week doing Door-to-Door calls in the neighbourhood.

The Church continues to be encouraged seeing new attendees at the Sunday services and has also had the joy of welcoming additional people into church membership during the year.

In accordance with the objectives outlined above, the public services continue to be an encouragement to the congregation through the preaching of the Bible each week, to seek to know Jesus Christ as their Saviour and to love and serve Him.

Public Benefit

The Trustees have complied with the duty to have due regard to guidance published by the Charity Commission, including public benefit guidance.

The Trustees believe that the gospel of Jesus Christ transforms lives and thereby has a great benefit on the wider society in general, and particularly to the people of the local area where the members of a particular church are located. Therefore, the Church continues to provide a public benefit in providing weekly Sunday services for Divine Worship, a mid-week meeting for those who wish to meet for prayer and to study the Bible and meetings for women, children and young people and ministries for the local community.

Risks

The Trustees normally meet each month and review the principal risks facing the church and any new risks that become apparent. The church has a Health and Safety Policy in place, which is to be subject to annual review.

The Church also has a “Safeguarding Policy for children, young people and vulnerable adults” in place.

Trustees training

New trustees are provided with relevant guidance issued by the Charity Commission.

The current Church Treasurer is a member of the Association of Church Accountants and Treasurers (ACAT) and attends relevant courses from time to time to keep his knowledge of applicable Charity accounting and trustee related requirements up to date.

Financial review

The attached financial statements disclose the financial position of the Church at 31 December 2023. The Trustees again acknowledge the provision and goodness of God in providing for the ongoing financial needs of the Church, and there was an overall surplus of income over expenditure across the funds of the Church.

In general, the policy of the Trustees is to distribute substantially all of the income of the Restricted Funds during the year subject to suitable needs being identified and to retain a working balance within the General Account and the Missionary Fund to provide a contingency to meet routine expenditure in the event of a reduction in offerings.

Reserves Policy

It is the policy of the Trustees to maintain reserves of the equivalent of three month's general account expenditure. This equates to about £30,000. The unrestricted reserves at the end of the year were £2,221,838 of which £2,205,702 represent fixed and net current assets held in the Capital Fund. At the end of the year the cash balances were £204,895.

The trustees will continue to review the reserves during this year and intend to produce a Reserves Policy.

Grant Making Policy

The Church makes discretionary grants to institutions and individuals.

The amount and duration of grants are considered at the discretion of the Trustees. Where such grants are for a significant amount, or granted on regular basis, these are agreed by the Church members at a Church Business Meeting.

The Church primarily supports Missionary work and other Christian institutions and Christian workers whose beliefs and practices accord with the Church's aims and objectives.

On occasions, the Church also provides humanitarian aid as well as helping in cases of individual financial hardship. This will be either given directly to beneficiaries or channelled through a trusted intermediary Church or other organisation.

Plans for the future

At the time of this report the Church intends to carry on its normal activities of public worship and providing the ministries already mentioned in this report. The country continues to face serious economic issues, including a previous high inflation rate, which means recent increased costs to the Church are now embedded in regular expenditure, and also pressure on future income if donors have to cut back on their donations to the church. The trustees continue to monitor and look for ways to reduce expenditure, as the aspiration of the trustees is to be able to employ an assistant pastor in the future.

The accounts have been prepared on the basis that the church continues to operate as a going concern. The trustees are satisfied that the church has sufficient reserves to cover future expenditure in the short to medium term.

Responsibilities of the trustees

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of its financial activities during the year then ended. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities” and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved by the trustees and signed on their behalf by:

(Original signed copy held by the charity)

P J Taylor
Trustee

Date: 05/09/2024

Thornton Heath Evangelical Church

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

I report to the charity trustees on my examination of the accounts of the Thornton Heath Evangelical Church (the Church) for the year ended 31 December 2023 set out on pages 8 to 18.

Responsibilities and basis of report

As the charity's trustees 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 Church's accounts as carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no 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 Church 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 Report) 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; or
4. the accounts have not been prepared in accordance with the methods and principles 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 the Republic of Ireland (FRS 102).

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.

(Original signed copy held by the charity)

Miriam Hickson CTA FCA
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 02/10/2024

Thornton Heath Evangelical Church
Statement of Financial Activities for the year ended 31 December 2023

	Note	--Unrestricted Funds--			Total	--Unrestricted Funds--			Total
		General	Capital	Restricted	2023	General	Capital	Restricted	2022
		Account	Fund	Funds	£	Account	Fund	Funds	£
		£	£	£		£	£	£	
Income from:									
Donations and Legacies (Inc. Gift Aid recovered)		129,899	5,000	19,639	154,538	129,445	-	36,043	165,488
Other Income:									
Other income		-	4,467	1,576	6,043	-	804	1,496	2,300
Total Income		129,899	9,467	21,215	160,581	129,445	804	37,539	167,788
Expenditure on:									
Charitable activities	2	103,725	-	41,774	145,499	120,742	500	35,606	156,848
Other expenditure		-	-	1,576	1,576	-	-	1,496	1,496
Total Expenditure		103,725	-	43,350	147,075	120,742	500	37,102	158,344
Net Income/(Expenditure)		26,174	9,467	(22,135)	13,506	8,703	304	437	9,444
Transfers:									
Transfers between funds	3	(20,705)	-	20,705	-	-	-	-	-
Movement in Funds		5,469	9,467	(1,430)	13,506	8,703	304	437	9,444
Funds brought forward (1st January 2023)		10,667	2,196,235	3,113	2,210,015	1,964	2,195,931	2,676	2,200,571
Funds carried forward (31st December 2023)		16,136	2,205,702	1,683	2,223,521	10,667	2,196,235	3,113	2,210,015

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

Thornton Heath Evangelical Church

Balance sheet at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	4	2,006,890	2,006,890
Current assets			
Stocks		2,000	2,000
Debtors	5	12,348	6,791
Cash at bank and in hand		204,895	197,105
		<u>219,243</u>	<u>205,896</u>
Creditors: amounts falling due within one year	6	(2,612)	(2,771)
Net current assets		<u>216,631</u>	<u>203,125</u>
Total Assets less current liabilities		2,223,521	2,210,015
Creditors falling due after more than one year		-	-
Net assets	7	<u>2,223,521</u>	<u>2,210,015</u>
Funds:			
Unrestricted funds			
General account		16,136	10,667
Capital fund		<u>2,205,702</u>	<u>2,196,235</u>
		2,221,838	2,206,902
Restricted funds	3	<u>1,683</u>	<u>3,113</u>
Total funds		<u>2,223,521</u>	<u>2,210,015</u>

The financial statements on pages 8 to 18 were approved by the trustees on 5th September 2024 and signed on their behalf by

(Original signed copy held by the charity)

P J Taylor
Trustee

Date: 05/09/2024

Thornton Heath Evangelical Church

Cash Flow Statement Year Ending 31st December 2023

	2023	2022
	£	£
Net Cash inflow/(outflow) from operating activities	7,790	9,300
Capital expenditure and financial investment		
Property: Net sale proceeds		-
Financing: Loan repayments within the year		-
Increase/(decrease) in cash in the year	7,790	9,300
Net cash resources at 1 st January	197,105	187,805
Net cash resources at 31st December	204,895	197,105

Notes to the Cash Flow Statement

Reconciliation of net movement in funds to net cash flow from operating activities

Net movement in funds for the year	13,506	9,444
Depreciation of Stock	-	500
(Increase)/decrease in debtors	(5,557)	(849)
Increase/(decrease) in creditors	(159)	205
Net cash flow from operating activities	7,790	9,300

Thornton Heath Evangelical Church

Notes to the financial statements

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102) and Financial Reporting Standard 102 (FRS102)) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102.

(b) Funds

The General Account includes Sunday offerings, electronic payments received from regular donors and other unrestricted gifts which may be used for any purpose within the terms of the constitution. Other gifts received for specified purposes are recorded in a Restricted Fund. The main Church premises, bookroom stock, legacies and interest received are all recognised in the Capital Fund. The General Account and the Capital Fund are unrestricted funds.

(c) Property

The main church property is included in the Balance Sheet at the original estimate of the value of the original main Church, plus the actual rebuilding costs paid during the rebuilding of the new halls and foyer in the period 2013/2014. The original estimate for the main Church has not been valued by an independent expert. On transition to FRS 102, this carrying value was treated as deemed cost going forward.

Freehold land is not depreciated. No depreciation is provided on freehold buildings where their estimated residual value is not less than their carrying amount.

(d) Stock

The value of the book-room stock is valued at the lower of cost and net realisable value.

(e) Income

Offerings and donations are accounted for on receipt. Legacies are accounted for when notified and confirmed as probable by a competent executor, and the church has been supplied with a realistic estimate with sufficient accuracy of the value of the legacy.

(f) Expenditure

Expenditure is accounted for as amounts fall due.

Direct charitable expenditure comprises all expenditure directly related to the objects of the Church. Governance costs comprise expenditure related to the cost of compliance with statutory requirements.

Thornton Heath Evangelical Church

Notes to the financial statements (continued)

(g) Grants

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount payable. A provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payment(s), settlement is probable, and the effects of discounting is material.

(h) Debtors

Grants receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

(i) Cash at bank and at hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

(j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 and provisions are recognised at their settlement amount.

(k) Financial Instruments

The charity only has financial assets and 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.

Thornton Heath Evangelical Church

Notes to the financial statements (continued)

2 Expenditure

Charitable activities

	2023 £	2022 £
Local ministry costs	53,130	74,804
Repairs, maintenance and cleaning	11,152	9,474
Telephone, postage, printing and stationery	5,644	4,751
Heating	4,526	4,658
Insurance	4,611	4,327
Sundry expenditure	13,452	11,615
Bank charges	130	123
Governance costs: Independent Examination	2,080	1,990
Depreciation of Bookroom stock	-	500
Missionary Furlough Costs	9,000	9,000
	<u>103,725</u>	<u>121,242</u>
Grants: (See note 3)	41,774	35,606
	<u>145,499</u>	<u>156,848</u>

Employee information

Included in Charitable expenditure above are the following employee costs:

	2023 £	2022 £
Salaries	61,831	80,791
Employer's National Insurance	667	1,308
Employer Pension Contributions	2,758	3,743
	<u>65,256</u>	<u>85,842</u>
Average number of full-time equivalent employees	<u>2</u>	<u>3</u>

There were no employees who earned £60,000 or more in the year.

Thornton Heath Evangelical Church

Notes to the financial statements (continued)

3 Restricted funds

	Balance B/Fwd 01/01/2023 £	Income £	Expenditure £	Transfers £	Balance C/Fwd 31/12/2023 £	Balance B/Fwd 01/01/2022 £	Income £	Expenditure £	Transfers £	Balance C/Fwd 31/12/2022 £
Missionary	388	14,853	35,945	20,705	1	<i>1</i>	28,937	28,550	-	388
Inasmuch	1,012	229	1,000	-	241	<i>1,023</i>	393	404	-	<i>1,012</i>
Inasmuch (Food bank)	1,200	-	19	-	1,181	<i>1,340</i>	-	140	-	<i>1,200</i>
Harvest	-	4,557	4,557	-	-	-	6,512	6,512	-	-
Evangelism	513	-	253	-	260	<i>312</i>	201	-	-	<i>513</i>
Suspense	-	1,576	1,576	-	-	-	1,496	1,496	-	-
Total	3,113	21,215	43,350	20,705	1,683	<i>2,676</i>	<i>37,539</i>	<i>37,102</i>	-	<i>3,113</i>

The Restricted funds were established for the following purposes:

Missionary - to support missionary work in the UK and overseas. The transfer during the year from the General Account was to cover the shortfall of income to the fund.

Inasmuch - to assist members of the Church and other Christians financially as the need arises.

Inasmuch (Food bank) – to provide visitors and those in need with food parcels.

Spring and Harvest Thank Offerings - to support a designated beneficiary or beneficiaries as decided by a Church meeting each year: In 2023, there was a Spring offering (£1,441) to assist one of the Church's own missionary couples, David and Maribel Easton. A harvest offering (£3,116) was given to Church missionary Ana van Brakel to assist her in set up costs in the Ivory Coast.

Evangelism – to provide funds relating to the church's outreach and evangelism activities.

Suspense – funds that are not specifically part of the charitable activities the church, but for which the funds are passed through the church accounts. These funds include ET and EN personal subscriptions by members and friends, and personal gifts placed in the offering which are then distributed.

Thornton Heath Evangelical Church

Notes to the financial statements (continued)

Significant distributions from the Missionary and Harvest funds amounting to £1,000 or more:

Operation Mobilisation	12,400
Mission Africa	12,000
SIM UK	10,000
David & Maribel Easton (Spring Thank Offering)	1,441
Ana van Brakel (Harvest Thank Offering)	3,116

Total grants included in resources expended:

	Number	£
Individuals	17	5,904
Institutions	13	35,870
	30	41,774

Thornton Heath Evangelical Church

Notes to the financial statements (continued)

4 Tangible fixed assets

Asset cost	Freehold land & buildings £	Total 2023 £
At 1 January 2023	2,006,890	2,006,890
Additions:	-	-
Disposals:	-	-
At 31 December 2023	2,006,890	2,006,890

5 Debtors

	2023 £	2022 £
Prepayments	-	-
Other debtors	12,348	6,791
	<u>12,348</u>	<u>6,791</u>

6 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	2,612	2,771
	<u>2,612</u>	<u>2,771</u>

7 Analysis of net assets between funds

	General £	Capital £	Restricted £	Total 2023 £	General £	Capital £	Restricted £	Total 2022 £
Tangible fixed assets	-	2,006,890	-	2,006,890	-	2,006,890	-	2,006,890
Net current assets	16,136	198,812	1,683	216,631	10,667	189,345	3,113	203,125
Creditors due after more than one year	-	-	-	-	-	-	-	-
	<u>16,136</u>	<u>2,205,702</u>	<u>1,683</u>	<u>2,223,521</u>	<u>10,667</u>	<u>2,196,235</u>	<u>3,113</u>	<u>2,210,015</u>

Thornton Heath Evangelical Church

Notes to the financial statements (continued)

8 Trustee Disclosures

The Trustees below were paid for services as employees, other than those of a Trustee, as permitted by the terms of the constitution. These trustees are absent from that part of the Trustees meeting where their salary for the following tax year is agreed.

	2023	2022
	£	£
Stephen Ridgeway (Pastor)		
Salary	38,265	37,510
Employer's Pension Contributions	1,913	1,876
Lucio Dente (Community outreach co-ordinator)		
Salary	9,912	9,594
Employer's Pension Contributions	496	480

No Trustee was reimbursed for expenditure incurred wholly, exclusively and necessarily for the business of the Church in his capacity as a Trustee (2022 - £Nil).

9 Related Party Transactions

The following related parties were paid for services as employees, as permitted by the terms of the constitution. Those Trustees related to the employees below are absent from that part of the Trustees meeting where the salaries for the following tax year are agreed.

	2023	2022
	£	£
Mrs TM Harris (wife of Mr SM Harris) Office Administrator		
Salary	6,987	6,717
Employer's Pension Contributions	349	336
Mrs F Hadjard (wife of Mr BFV) Cleaner		
Hadjard)		
Salary (Jan-Oct)	5,315	5,940
Mr J Harris (son of SM Harris) Cleaner		
Salary (Oct-Dec)	1,352	-

Thornton Heath Evangelical Church

Notes to the financial statements (continued)

10 Financial Commitments

The future minimum lease payments under non-cancellable operating leases are payable:

	2023	2022
	£	£
Within one year	2,961	2,961
Between one and five years	4,443	7,404
	7,404	10,365
The operating lease charges for the year were:		
Photocopier	3,010	3,010
Total	3,010	3,010