

WALL HEATH EVANGELICAL FREE CHURCH
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

WALL HEATH EVANGELICAL FREE CHURCH
(A company limited by guarantee)

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WALL HEATH EVANGELICAL FREE CHURCH
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	A Allman (Resigned 16 July 2023) M Yates J F Day K D Cram M J N Tromans M J Orton M B D Jones P J Cram S P Evans M J L Tromans J R M Pullen
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Company registered number	10288333
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Charity registered number	1170571
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Registered office	81 Enville Road Wall Heath Kingswinford West Midlands DY6 0JX
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WALL HEATH EVANGELICAL FREE CHURCH
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the financial statements of the Company for the 1 January 2022 to 31 December 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

As set out in the Church's Constitution and Basis of Faith, the Church activities consist of far more than Sunday services. A constantly developing programme of ministries and activities is designed to cater for young and old, male and female and for those experienced and inexperienced in the Christian faith.

A mission statement for the church exists as follows:

We are here to glorify God:

- by bringing people to Jesus and into the loving family of the church
- by applying God's word to our lives and becoming more like Jesus
- by developing our gifts and using them with enthusiasm in His service, locally and worldwide
- by worshipping in unity and finding our satisfaction in Him.

Our church values are:

- Peace
- Love
- Unity
- Service

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity.

The Charity Commission in its "Charities and Public Benefit" Guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit and secondly, that benefit must be to the public or a section of the public. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on below to achieve those aims, meet these principles.

The public benefit that the Church provides is a programme of activities and ministries for people in the Christian faith.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

b. Activities undertaken to achieve objectives

The main activities in relation to these objects include:

- Activities for all including
 - Sunday services of worship
 - Mid-week House Groups and prayer meeting
 - Church “holidays” (weekends away)
- Activities for the young including
 - Connect (for children in school years 7-11)
 - United (for children in school years 3-6)
 - Shooting Stars (For children in school years reception, 1-2)
 - Livewires - Sunday School (age 7-11)
 - Sparklers / Crèche (for pre-school and primary school children)
 - Holiday Bible Club (for primary school children)
 - Bright Sparks Parents and Toddlers groups (for pre-school children)
 - Sunday Afternoon youth group (SALT)
 - No Strings Attached – Puppet team
- Activities for midweek fellowship
 - Wednesday fellowship meeting
 - Refresh Café
 - Craft & Sew on
- Activities for men including
 - Men’s events, days out and meals
 - Young men's Bible study and fellowship group
- Activities for women including
 - Ladies’ nights
 - Craft events
- Activities for families
 - Care for the Family accredited courses
- Activities for newcomers including
 - Alpha course.

WALL HEATH EVANGELICAL FREE CHURCH
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

These activities are not restricted to church members but open to everyone in the community. All activities are free of charge, except where there is a significant financial outlay such as weekends away.

The Church is a community of people desiring to serve and worship God. Without the significant time and energy provided by a large number of volunteers as part of their desire to serve God, the Church could not continue to function.

The Pastor is a paid employee of the Church and shares responsibility for the leadership, spiritual oversight and well-being of the congregation jointly with the Elders.

There is also a part time paid administrator and 2 part time paid cleaners.

All other members of the Church fulfil their roles on an entirely voluntary and unpaid basis and such contribution is greatly appreciated.

In addition to activities described above, the Church has an interest in Christian missionary work both at home and abroad and supports a number of missionaries both financially and in prayer and practical undertakings. The amount of the financial contribution to such missionaries is agreed between the Elders and missionary committee.

Similarly, the Church will make donations to individuals and to organisations that are in financial need. Again, the amount of this contribution is agreed.

Achievements and performance

a. Review of activities

Church

The transition out of Covid restrictions and the provision of the new building has enabled the church to return to many of its practices that took place before March 2020.

We held an opening and dedication weekend in April to mark the completion of the rebuild, to which local dignitaries, community representatives, the press, supporters, old friends and our current congregation were all invited.

The church held its first child dedication service in the new building in April, and a couple of others later in the year.

The church also held a marriage rededication service during a Sunday morning during worship time in June.

A church lunch was held in October and was the first time the kitchen was fully used.

WALL HEATH EVANGELICAL FREE CHURCH
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

Mission Support

Krasif Aid – supporting the vulnerable through Sliven Baptist Church, Bulgaria.
Wycliffe Bible Translators – support of Bible translators in Indonesia.
Dignity Freedom Network – supporting 3 Dalit children in their education and upbringing.
Brierley Hill Project – support for Jen Hartnell located in Pensnett.
Birmingham City Mission – John Platt
Slavic Gospel Association - Vadim Musurivski
European Christian Mission – Phillipe & Joanne Mayhew
Gus Eyre – Prison Ministry
Sharon Tromans - British Youth for Christ
Amen Ministries – Shoeboxes to Roma Gypsy communities in Romania.
Fellowship of Independent Evangelical Churches (FIEC)
Kolkata City Mission – India
Operation Mobilisation Support for Gareth and Malou Bolton
Tear Fund
The Leprosy Mission
Africa Rural Trainers (ART)
Open Doors
Black Country Foodbank
Greater Europe Mission - 2 interns on the 10/2 programme
New Kapporet - Christian telephone support ministry and prayer

Church Fabric

The church held its first service in the new building in December 2021, but Mayway Construction Ltd continued the final parts of the rebuild in early 2022. This concluded with work to rectify the snagging items later in 2022, but these have not prevented us from using the building.

Work also continued towards the fundraising aspect of the project. This included a suitable PA system, TV screens in the main hall and receiving a grant of £25,200.00 in April towards our lift from Enover Community Trust. This was completed and submitted in house by one of the trustees. We paid the 5% retention invoice to Mayway Construction Ltd in late 2022, concluding our contract with them.

Having a lift installed has opened the use of the building to everyone. An upstairs kitchen has started to be installed as a gift by one of our members..

Place of Worship

Gathered Sunday services resumed at the church building on both a morning and evening in January 2022, but continued to be streamed and recorded for those watching online or at a later date.

House groups were held in people's homes and at the church building on a rota basis twice a month and offer encouragement, support, prayer, Bible study and friendship.

Prayer times are held twice a month on a Sunday evening and at other times during the week.

Pastoral care is offered and given to everyone within the church and to those within the community who need our help.

With the restrictions imposed on gathering during the pandemic coming to an end, church activities slowly returned to normal during 2022

WALL HEATH EVANGELICAL FREE CHURCH
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

Youth Work

Shooting Stars – A Friday night meeting for children in school years reception, years 1-2, with games, singing, craft activities etc. It runs at the same time as United but in a different part of the building.

United - A Friday night meeting for primary school children in years 3 - 6 with games, singing, craft activities etc. It runs at the same time as Shooting Stars but in a different part of the building.

Connect on Friday nights – for children in school years 7-11. On average 6-12 young people come each week to enjoy a time of fun, games, art, craft, and Christian teaching.

SALT- a short time for around 8 young people to meet at church on a Sunday afternoon once a month. Discussions, bible study and prayer times and food and drink.

Holiday Bible Club – after 2 years of not being able to do HBC, a Monday to Friday children's club was held each morning for a week in July, with a family barbecue on the Friday lunchtime.

Creative

No Strings Attached puppet team – Performances on Sundays, in school assemblies and at the carol service. A performance took place in the new church building on Christmas Day.

Community

Bright Sparks Toddlers - This is an opportunity for parents and carers to come and share fellowship together with their young children.

Livewires / Sparklers /Crèche – Up to 25 children are taught simple Bible stories during the Sunday morning church services. The upstairs rooms in the new church building have made a big difference to running this meeting, allowing the children to have space to worship and have age-appropriate lessons.

Seniors meeting - A daytime fellowship meeting weekly on Wednesdays, which largely attracts people of a senior age but is open to all. This restarted with a Jubilee special in June and alternates between a service, followed by fellowship in the café the following week.

Craft & Sew on – A bi-weekly fellowship meeting based around craft and anything creative.

Café Refresh - A café providing beautiful cakes and tea/coffee for all the community.

Schools team – Take assemblies on a regular basis at 4 primary schools and occasionally are involved in lessons. We support the GSUS Live trailer at secondary schools when it is in the area. We had a visit from a year 1 and 2 class from a local school in March to share about what Easter means to Christians.

New Bradley Hall Residential home - Socially distanced outdoor carol service.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

Lettings – With the completion of the new building the church was able to offer space to community groups and organisations. A brochure has been completed and an area on the website dedicated to letting the space we have. Covid has had an effect on many of the groups that used to hire our old building but lettings increased steadily throughout the year.

Fellowship of Independent Evangelical Churches local conference hosted in March.

Our church website has continued to well accessed for notices, Sunday services both pre-recorded and live streamed, with a dedicated members area for church related information.

Financial review

a. Going concern

The Trustees have a reasonable expectations that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees have reviewed future cashflows for income and expenditure including payment of the bank loan for the next 12 months. They continue to believe that the going concern basis of accounting is appropriate in preparing the financial statements.

b. Reserves policy

The Trustees are aware of the Charity Reserves: building resilience (CC19) Charity Commission Guidance and are considering developing a reserves policy.

It should be noted that a large portion of the reserves accumulated were set aside specifically to fund the rebuild in 2022. The remainder supports the on-going upkeep of the church fabric and salary payment.

This is considered by the Treasurer to be an acceptable financial position

The charity currently has total funds of £1,107,005 (2021: £1,055,582) of which £1,106,223 (2021: £1,055,029) is unrestricted. Within the unrestricted funds is £nil (2021: £nil) of designated funds for the Existing Church Fund and the Church Rebuild Project. The free reserves which amounts to the unrestricted funds less fixed assets is equal to negative £491,240 (2021: Negative £496,512). Please note that there are creditors greater than one year of £498,705 (2021: £503,725) and if the creditors greater than one year are removed from free reserves then the free reserves are £6,465 (2021: £7,213)

Restricted funds are £782 (2021: £553).

c. Principal funding

The principal source of funds is mainly through voluntary donations of the Church's members and adherents. While this is set out in the Bible as both a responsibility and a privilege for Christian people, individuals are not placed under any additional obligation either to give a certain amount or indeed to give at all and newcomers and visitors to Sunday morning services (a collection box is provided at the rear of the church) are regularly encouraged not to feel under any obligation to give.

As with the voluntary help for the activities of the Church, without the voluntary giving of the congregation, the Church could not continue to function, and the Elders and trustees are grateful to God for His provision.

WALL HEATH EVANGELICAL FREE CHURCH
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

a. Constitution

Wall Heath Evangelical Free Church is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 20/07/16.

The company is constituted under a Memorandum of Association dated 20/07/16 and is a registered charity number 1170571.

The principal object of the company is to glorify God:

- by bringing people to Jesus and into the loving family of the church
- by applying God's word to our lives and becoming more like Jesus
- by developing our gifts and using them with enthusiasm in His service, locally and worldwide
- by worshipping in unity and finding our satisfaction in him

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

While the Trustees have ultimate accountability for the maintenance of the Church building at Enville Road, daily responsibility for its maintenance is delegated to the Elders and Deacons of the Church. The Church itself (i.e. the congregational body and its affairs) is governed by a Constitution and a Basis of Faith and served by Elders and Deacons who are accountable to the Church membership and to God for fulfillment of their responsibilities.

The Trustees are aware of the Charity Governance Code for smaller charities and are reviewing the code and considering its application to the Church

Plans for future periods

During 2022, the Trustees proposed to change the name of the church to 'New Life Church Wall Heath.'. This proposal was voted on and passed at a church-members meeting in late October 2022. The new name would be a working name within our charitable status and was agreed by the Charity Commission in November 2022

The change of name will take place over the Easter weekend in 2023.

WALL HEATH EVANGELICAL FREE CHURCH
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

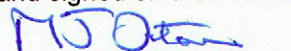
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on



M B D Jones
Trustee

and signed on their behalf by:



M J Orton
Trustee

WALL HEATH EVANGELICAL FREE CHURCH
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Independent Examiner's Report to the Trustees of Wall Heath Evangelical Free Church ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 December 2022.

Responsibilities and Basis of Report

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

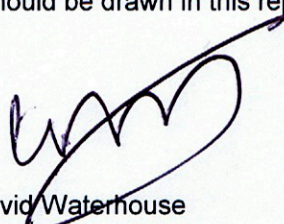
Independent Examiner's Statement

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:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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 the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and 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.

Signed:



Andrew David Waterhouse

Dated: 19/9/2023

ACMA, GCMA

The Granary, Folley Road,
Ackleton,
WV6 7JL

WALL HEATH EVANGELICAL FREE CHURCH
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	104,374	53,804	158,178	484,911
Investments	4	26	-	26	4
Other income	5	5,462	-	5,462	80
Total income		109,862	53,804	163,666	484,995
Expenditure on:					
Charitable activities	6	111,206	1,037	112,243	94,311
Total expenditure		111,206	1,037	112,243	94,311
Net (expenditure)/income		(1,344)	52,767	51,423	390,684
Transfers between funds	15	52,538	(52,538)	-	-
Net movement in funds		51,194	229	51,423	390,684
Reconciliation of funds:					
Total funds brought forward		1,055,029	553	1,055,582	664,898
Net movement in funds		51,194	229	51,423	390,684
Total funds carried forward		1,106,223	782	1,107,005	1,055,582

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 28 form part of these financial statements.

WALL HEATH EVANGELICAL FREE CHURCH
(A company limited by guarantee)
REGISTERED NUMBER: 10288333

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	1,598,463	1,551,541
		<u>1,598,463</u>	<u>1,551,541</u>
Current assets			
Debtors	11	16,893	43,896
Cash at bank and in hand		6,130	8,845
		<u>23,023</u>	<u>52,741</u>
Creditors: amounts falling due within one year	12	(15,776)	(44,975)
Net current assets		7,247	7,766
Creditors: amounts falling due after more than one year	13	(498,705)	(503,725)
Net assets		<u>1,107,005</u>	<u>1,055,582</u>
Total net assets		<u><u>1,107,005</u></u>	<u><u>1,055,582</u></u>
Charity funds			
Restricted funds	15	782	553
Unrestricted funds	15	1,106,223	1,055,029
Total funds		<u><u>1,107,005</u></u>	<u><u>1,055,582</u></u>

WALL HEATH EVANGELICAL FREE CHURCH
(A company limited by guarantee)
REGISTERED NUMBER: 10288333

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on
and signed on their behalf by:



M B D Jones
(Trustee)



M J Orton
(Trustee)

The notes on pages 14 to 28 form part of these financial statements.

WALL HEATH EVANGELICAL FREE CHURCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Wall Heath Evangelical Free Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Trustees have a reasonable expectations that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees have reviewed future cashflows for income and expenditure including payment of the bank loan for the next 12 months. They continue to believe that the going concern basis of accounting is appropriate in preparing the financial statements.

WALL HEATH EVANGELICAL FREE CHURCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

WALL HEATH EVANGELICAL FREE CHURCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the valuation of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Plant and machinery	-

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in 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 acquisition or opening of the deposit or similar account.

WALL HEATH EVANGELICAL FREE CHURCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

The Company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	103,004	53,402	156,406	363,079
Grants	1,370	402	1,772	121,832
	<u>104,374</u>	<u>53,804</u>	<u>158,178</u>	<u>484,911</u>
<i>Total 2021</i>	<u><u>110,329</u></u>	<u><u>374,582</u></u>	<u><u>484,911</u></u>	

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest received	26	26	4
	<u>4</u>	<u>4</u>	
<i>Total 2021</i>	<u><u>4</u></u>	<u><u>4</u></u>	

5. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of building	5,462	5,462	-
Quinta deposits	-	-	80
	<u>5,462</u>	<u>5,462</u>	<u>80</u>
<i>Total 2021</i>	<u><u>80</u></u>	<u><u>80</u></u>	

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6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Charitable activities	111,206	1,037	112,243	94,311
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2021</i>	93,556	755	94,311	
	<hr/>	<hr/>	<hr/>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Charitable activities	76,464	35,779	112,243	94,311
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2021</i>	79,021	15,290	94,311	
	<hr/>	<hr/>	<hr/>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Evangelism	51,145	51,145	44,178
Missionary work	11,590	11,590	21,861
Children's work	712	712	105
Staff costs	12,035	12,035	12,020
Building repairs	982	982	857
Total 2022	<u>76,464</u>	<u>76,464</u>	<u>79,021</u>
<i>Total 2021</i>	<u>79,021</u>	<u>79,021</u>	

Analysis of support costs

	Activities 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Subscriptions	3,833	3,833	3,213
Communications	1,311	1,311	630
Computer costs	799	799	1,550
Insurance	1,497	1,497	414
Rates and electricity	6,942	6,942	4,131
Equipment	1,876	1,876	-
Sundry expenses	2,220	2,220	3,485
Mortgage interest	16,677	16,677	1,447
Accountancy	624	624	420
Total 2022	<u>35,779</u>	<u>35,779</u>	<u>15,290</u>
<i>Total 2021</i>	<u>15,290</u>	<u>15,290</u>	

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8. Staff costs

	2022 £	2021 £
Wages and salaries	40,519	36,316
Social security costs	8,157	7,862
Pension contributions	2,469	-
	<u>51,145</u>	<u>44,178</u>

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Average number of employees	<u>3</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity are the Trustees. The total remuneration paid to the key management personnel was £41,095 (2021: £43,522)

9. Trustees' remuneration and expenses

		2022 £	2021 £
M B D Jones	Remuneration	27,480	36,720
	Pension contributions paid	2,469	-
K D Cram	Remuneration	11,146	6,802

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

10. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2022	1,551,541	-	1,551,541
Additions	44,324	2,598	46,922
At 31 December 2022	<u>1,595,865</u>	<u>2,598</u>	<u>1,598,463</u>

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10. Tangible fixed assets (continued)

	Freehold property £	Plant and machinery £	Total £
Net book value			
At 31 December 2022	1,595,865	2,598	1,598,463
<i>At 31 December 2021</i>	<i>1,551,541</i>	<i>-</i>	<i>1,551,541</i>

On 21 February 2019 the land was given a market valuation of £150,000 by A. K. Knight FRICS of Walton & Hipkiss. The land is not depreciated.

11. Debtors

	2022 £	2021 £
Due within one year		
Gift aid receivable	16,893	43,896
	16,893	43,896

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Mortgage (secured)	5,152	1,275
Other creditors	10,000	42,500
Accruals and deferred income	624	1,200
	15,776	44,975

Other creditors falling due within one year includes £10,000 (2021: £10,000) of a £20,000 interest free loan from a member.

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13. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Mortgage (secured)	348,705	343,725
Other creditors	150,000	160,000
	<u>498,705</u>	<u>503,725</u>

Other creditors falling due after more than one year includes £150,000 (2021: £160,000) of interest free loans from members.

£10,000 repayable by 31 October 2024.

£20,000 repayable by 31 October 2025.

£20,000 repayable by 31 October 2026.

£20,000 repayable by 31 October 2027.

£20,000 repayable by 31 October 2028.

£20,000 repayable by 31 October 2029.

£20,000 repayable by 31 October 2030.

£15,000 repayable by 31 October 2031.

£5,000 repayable by 31 October 2032.

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2022 £	2021 £
Mortgage (secured) payable by instalments	315,888	309,736
Members Loans	80,000	90,000
	<u>395,888</u>	<u>399,736</u>

Mortgage of £353,857 (2021: £345,000) was secured on the building and land of the charity. The interest is base rate plus 4.75% initially and base rate plus 3.75% on final stage payment drawdown. The mortgage term is 25 years.

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14. Financial instruments

	2022 £	<i>2021</i> £
Financial assets		
Financial assets measured at fair value through income and expenditure	6,130	<i>8,845</i>

Financial assets measured at fair value through income and expenditure comprise cash at bank.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
Unrestricted funds					
General Funds - all funds	<u>1,055,029</u>	<u>109,862</u>	<u>(111,206)</u>	<u>52,538</u>	<u>1,106,223</u>
Restricted funds					
Building fund	-	51,615	-	(51,615)	-
United fund	200	402	(364)	(210)	28
Bright Sparks fund	97	816	-	(609)	304
Seniors work	10	362	(186)	-	186
Cafe Refresh fund	142	609	(487)	-	264
Shooting Stars fund	104	-	-	(104)	-
	<u>553</u>	<u>53,804</u>	<u>(1,037)</u>	<u>(52,538)</u>	<u>782</u>
Total of funds	<u><u>1,055,582</u></u>	<u><u>163,666</u></u>	<u><u>(112,243)</u></u>	<u><u>-</u></u>	<u><u>1,107,005</u></u>

Transfers

Transfer between restricted and unrestricted funds consists of fixed asset additions of £46,922

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Impairment £</i>	<i>Balance at 31 December 2021 £</i>
Unrestricted funds					
Designated funds					
Designated Funds - Existing ChurchFund	150,000	-	-	(150,000)	-
Designated Fund - Church RebuildProject	43,500	-	-	(43,500)	-
	<u>193,500</u>	<u>-</u>	<u>-</u>	<u>(193,500)</u>	<u>-</u>
General funds					
General Funds - all funds	426,061	110,413	(93,556)	612,111	1,055,029
	<u>426,061</u>	<u>110,413</u>	<u>(93,556)</u>	<u>612,111</u>	<u>1,055,029</u>
Total Unrestricted funds	<u>619,561</u>	<u>110,413</u>	<u>(93,556)</u>	<u>418,611</u>	<u>1,055,029</u>
Restricted funds					
Building fund	43,581	374,330	-	(417,911)	-
United fund	200	252	(252)	-	200
Bright Sparks fund	797	-	-	(700)	97
Seniors work	41	-	(31)	-	10
Cafe Refresh fund	142	-	-	-	142
Shooting Stars fund	576	-	(472)	-	104
	<u>45,337</u>	<u>374,582</u>	<u>(755)</u>	<u>(418,611)</u>	<u>553</u>
Total of funds	<u><u>664,898</u></u>	<u><u>484,995</u></u>	<u><u>(94,311)</u></u>	<u><u>-</u></u>	<u><u>1,055,582</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
General funds	1,055,029	109,862	(111,206)	52,538	1,106,223
Restricted funds	553	53,804	(1,037)	(52,538)	782
	<u>1,055,582</u>	<u>163,666</u>	<u>(112,243)</u>	<u>-</u>	<u>1,107,005</u>

Summary of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Impairment £	Balance at 31 December 2021 £
Designated funds	193,500	-	-	(193,500)	-
General funds	426,061	110,413	(93,556)	612,111	1,055,029
Restricted funds	45,337	374,582	(755)	(418,611)	553
	<u>664,898</u>	<u>484,995</u>	<u>(94,311)</u>	<u>-</u>	<u>1,055,582</u>

Designated Funds

Existing Church Fund - Fixed asset fund for Church Building.

Church Rebuild Project - Fund for Church Rebuild Project.

Restricted Funds

Building Fund - Fund for rebuild of Church.

United Fund - Fund for church group (ages 7-11).

Bright Sparks Fund - Fund for Mums and Toddlers group.

Wednesday Fellowship Fund - Fund for mid week group.

Cafe Refresh Fund - Fund for fortnightly church cafe.

Shooting Stars Fund - Funds for church after school club (ages 5-6).

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,598,463	-	1,598,463
Current assets	22,241	782	23,023
Creditors due within one year	(15,776)	-	(15,776)
Creditors due in more than one year	(498,705)	-	(498,705)
Total	1,106,223	782	1,107,005

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	1,551,541	-	1,551,541
Current assets	52,188	553	52,741
Creditors due within one year	(44,975)	-	(44,975)
Creditors due in more than one year	(503,725)	-	(503,725)
Total	1,055,029	553	1,055,582

18. Related party transactions

During the year, M B D Jones, a trustee of the Charity received remuneration of £29,949 (2021: £36,720).

K D Cram received remuneration of £11,146 (2021: £6,802)

Other than those already disclosed above there were no related party transactions or expenses incurred by Trustees in either year.