

HAYES PRESS

**Annual Report and
Financial Statements
for the year ended
31st December 2020**

(Registered Charity Number: 242257)

HAYES PRESS

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HAYES PRESS
A Charity governed by Trust Deed

Charity Information
for the year ended 31st December 2020

| | |
|-------------------------------|--|
| Trustees: | A W Jarvis J A Bowler M S Elliott A R Jones A H Taylor |
| Address: | The Barn Flaxlands Wootton Bassett Wiltshire SN4 8DY |
| Registered Charity No: | 242257 |
| Independent Examiner: | Mr P Buck FCA, DChA TLL Accountants Ltd Chartered Accountants 7 - 9 Station Road Preston PR4 6SN |
| Main Bankers: | HSBC Head Office 160 Belgrave Road Leicester LE4 5AU |

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Trustees report for the year ended 31st December 2020

The charity is governed by trust deed dated 10th January 1962 as revised by a scheme dated 6th October 2003; approved by the general assembly of elders of the Churches of God in the Fellowship of the Son of God, the Lord Jesus Christ.

Trustees are appointed from time to time by the same general assembly.

The charity exists to provide Christian Literature for use in Churches of God and for distribution worldwide. The trustees appoint a full time salaried manager to administer its affairs.

Review of the year and financial review

The trustees present their annual report and financial statements, which have been prepared in accordance with the requirements of its governing document and in line with current statutory requirements and the Charity SORP (2015).

In meeting the objects of the Charity, the Trustees have considered the Charity Commission guidance on public benefit and are satisfied that the activities undertaken during the year, have provided significant benefit to the public as described below.

The Charity has continued to supply literature required by Churches of God, including the provision of a substantial number of "free issue" items, particularly overseas. We also provide literature to the wider Christian community. Many Christian Bookshop independents as well as chains of shops, are having to close down due to the heavy overhead burden of operating costs. This has provided an opportunity to Hayes Press to supply this unmet need in the wider Christian community, through the use of e-commerce and the Internet.

Sales in 2020 of £77.1k were 8.1% up on the prior year figure of £71.3k. Due to the pandemic sales of tracts were substantially down on prior year, but this was more than compensated for by an increase in on-line activity, through strong E-book downloads. A reduction in magazine sales was compensated for by an increase in general literature and hymn book sales. Overall a good year in spite of the pandemic.

There was a trading loss for the year in 2020 of £20.1k, as compared to a loss of £33.2k in 2019, an improvement of 23%. Gross margins in 2020 at £26.1k, improved by 146.2% over the prior year, due to the substantially improved E-book download income, as well as by an over-accrual of expenses in 2019, reversed in 2020.

Donations in 2020 at £12.4k, were significantly up against 2019 by 33.3%. We are very grateful for all donations received in support of the work of the Fellowship Literature Committee, as this enables us to meet our commitments, as mentioned above.

Bearing in mind the twin goals of Hayes Press to supply literature required by Churches of God, as well as providing a significant benefit to the wider Christian community, and, taking into account the significant move away from printed literature towards digital material, which can negatively affect our sales, the Trustees believe that the level of free reserves should be based at the present time at 2 years' operating costs, viz. £130k

Total HP funds of £215k, are represented by fixed assets totaling £65k, and the balance of designated and unrestricted funds of £150k

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Trustees report (continued)

Risk review

The trustees have carried out a risk review in accordance with Charities Act recommendations to identify any risks that surround the charity and mitigate those risks where possible.

Reserves policy

Much of the charity's reserves consist of working capital balances and the trustees seek to control the level of liquid resources to meet short-term liabilities without the building up of excess amounts. The trustees consider a suitable level of free reserves to be £170,000, based on an average of three years' operating costs. The current level of free reserves is £130,165 after allowing for elements that are represented by non-liquid fixed assets and designated funds. The Trustees will endeavour to maintain a healthy level of reserves during the current uncertain financial climate in which the charity is currently operating.

Statement of trustees responsibilities

Charity law requires trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period. In preparing accounts the trustees have:

- used suitable accounting policies and applied them consistently
- made judgements and estimates which are reasonable and prudent
- followed applicable accounting standards, subject to any material departures disclosed and explained in the accounts
- prepared the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper records which disclose with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps to prevent and detect fraud and other irregularities.


Changes in trustees occur as required, upon discussion and mutual agreement of existing trustees.

Approval of Report

This report was approved by the trustees on *1 July* 2021 and signed on its behalf by:



.....
A W Jarvis – Trustee



.....
M S Elliott – Trustee

Independent Examiner's Report to the Trustees on the Accounts of Hayes Press

Independent examiner's report to the trustees of Hayes Press

I report to the charity trustees on my examination of the accounts of Hayes Press (the Trust) for the year ended 31st 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

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.


.....
Mr P Buck FCA, DChA

TLL Accountants Ltd
*Chartered Accountants and
Registered Auditors*
7 - 9 Station Road
Hesketh Bank
Preston PR4 6SN

Date: *1st July 2021*
.....

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Statement of financial activities for the year ended 31st December 2020

| | | Unrestricted funds | Restricted funds | 2020 Total | 2019 Total |
|---|------|-----------------------|---------------------|-----------------|-----------------|
| | Note | £ | £ | £ | £ |
| Income and Endowments from: | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | |
| Donations and legacies received | | 12,408 | - | 12,408 | 9,301 |
| UK Deposit account interest | | 311 | - | 311 | 739 |
| <i>Charitable activities:</i> | | | | | |
| Sales | | 77,051 | - | 77,051 | 71,725 |
| Total | | 89,770 | - | 89,770 | 81,315 |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Cost of activities in furtherance of the charity's objectives - Cost of Sales | | 50,984 | - | 50,984 | 60,726 |
| Other operating costs | 2 | 59,474 | - | 59,474 | 53,862 |
| Total | | 110,458 | - | 110,458 | 114,588 |
| Net Income / (Expenditure) | | (20,688) | - | (20,688) | (33,273) |
| Transfers Between Funds | | - | - | - | - |
| Total funds brought forward | | 235,890 | - | 235,890 | 269,163 |
| Total funds carried forward | 10 | 215,202 | - | 215,202 | 235,890 |

The result for the year shown above represents the only recognised gain or loss for the year.

All turnover in the year relates to continuing operations.

There is no difference between the historical cost result and that shown above since no assets have been subject to revaluation.

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Balance Sheet as at 31st December 2020

| | Note | 2020 | | 2019 | |
|--|------|----------------|-----------------------|----------------|-----------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | 4 | | 65,037 | | 65,351 |
| CURRENT ASSETS | | | | | |
| Stock | 5 | 12,666 | | 16,033 | |
| Debtors | 6 | 26,580 | | 31,248 | |
| Cash at Bank and In Hand | | 16,231 | | 12,857 | |
| Deposit account | 7 | 123,216 | | 133,700 | |
| | | <u>178,693</u> | | <u>193,838</u> | |
| CURRENT LIABILITIES | | | | | |
| Creditors: Amounts falling due within one year | 8 | (28,528) | | (23,299) | |
| Net Current Assets | | | 150,164 | | 170,539 |
| TOTAL ASSETS | | | <u><u>215,202</u></u> | | <u><u>235,890</u></u> |
| REPRESENTED BY: | | | | | |
| <i>Unrestricted Income funds:</i> | | | | | |
| General Fund Balance | | | 130,165 | | 150,539 |
| Funds represented by Fixed Assets | | | 65,037 | | 65,351 |
| Designated Fund – Translation of Literature | | | 20,000 | | 20,000 |
| | 10 | | <u><u>215,202</u></u> | | <u><u>235,890</u></u> |

Approved by the Board of Trustees on 1 Jan 2021 and signed on its behalf by:



 A W Jarvis – Trustee



 M S Elliott – Trustee

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Notes to the accounts for the year ended 31st December 2020

1. Accounting Policies

Basis of Accounting

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (2015) and applicable accounting standards, under the historical cost convention. The charity is exempt from the requirement of Financial Reporting Standard No. 1 (*revised*) to prepare a cash flow statement as it qualifies as a small charity.

Sales

Sales represent net invoiced amounts, excluding Value Added Tax. Sales in advance relating to the coming year's subscriptions are shown within creditors on the Balance Sheet and taken into the Profit and Loss Account in the year to which they relate.

Tangible Fixed Assets

Depreciation is provided on fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Equipment - 25% reducing balance
Buildings - 2% straight line

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items and writing down stock destined for free distribution.

Donations and legacies

Donation and legacy income is included in the Statement of Financial Activities as it becomes due and is included in the relevant fund.

Expenditure

Expenditure is charged to the Statement of Financial Activities on an accruals basis. The charity has taken advantage of the SORP exemptions available to small charities in the classification of costs. Cost of sales represents the net costs of the primary purpose trading of the charity, adjusted for stock movements. Finance costs have been segregated as overheads that are not directly relating to the day-to-day running costs incurred in meeting the charity's objectives.

Pensions

The charity contributes towards a defined contribution scheme on behalf of its employees. The assets of the scheme are held separately in an independently administered fund. The amount charged in the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting year.

Taxation

There were no charges for taxation in the year, nor in the previous year.

Support Costs

Support costs are all directly attributable to the one charitable expenditure cost heading since there are no fundraising costs or other charitable cost categories, as such a separate allocation summary of support costs is not required.

Funds

Restricted funds are those relating to amounts received with specific donor conditions regarding the purpose to which those funds should be used.

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Notes to the accounts for the year ended 31st December 2020 (continued)

2. Direct Charitable Expenditure

Within Direct Charitable Expenditure, operating costs include the following:

| | 2020 | 2019 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Staff costs | 44,015 | 42,146 |
| Advertising and publicity costs | 3,894 | 1,289 |
| Depreciation | 3,197 | 2,112 |
| Premises costs | 3,405 | 3,755 |
| Other costs | 4,963 | 4,560 |
| | <u>59,474</u> | <u>53,862</u> |

3. Employee Numbers and Costs

The average number of full time equivalent employees for the year is as follows:

| | 2020 | 2019 |
|-------------------------------|---------------|---------------|
| | number | number |
| Management and Administration | <u>2</u> | <u>2</u> |

The total staff costs relating to these employees is as follows:

| | 2020 | 2019 |
|-----------------------|---------------|---------------|
| | £ | £ |
| Wages and salaries | 40,420 | 38,650 |
| Social security costs | 1,684 | 1,610 |
| Pension costs | 1,911 | 1,886 |
| | <u>44,015</u> | <u>42,146</u> |

In accordance with the Charity Act requirements, the trustees confirm that no employee received more than £60,000 during the year, being the reportable limit specified by the Charities Act.

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Notes to the accounts for the year ended 31st December 2020 (continued)

4. Fixed Assets

| | Freehold Property £ | Equipment £ | Total £ |
|------------------------------|------------------------------------|------------------------|-----------------------|
| <i>Cost:</i> | | | |
| At 1st January 2020 | 84,818 | 38,139 | 122,957 |
| Additions | - | 2,887 | 2,887 |
| Disposals | - | - | - |
| At 31st December 2020 | <u>84,818</u> | <u>41,026</u> | <u>125,844</u> |
| <i>Depreciation:</i> | | | |
| At 1st January 2020 | 20,219 | 37,358 | 57,577 |
| Charge for year | 1,696 | 1,504 | 3,200 |
| Disposals | | | |
| At 31 December 2020 | <u>21,915</u> | <u>38,862</u> | <u>60,777</u> |
| <i>Net Book Value:</i> | | | |
| At 31st December 2020 | <u>62,903</u> | <u>2,165</u> | <u>65,067</u> |
| At 31st December 2019 | <u>64,576</u> | <u>779</u> | <u>65,352</u> |

All fixed assets are for use by the charity for direct charitable purposes.

5. Stock

| | 2020 £ | 2019 £ |
|------------------|----------------------|----------------------|
| Goods for resale | 12,666 | 16,033 |
| | <u>12,666</u> | <u>16,033</u> |

6. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|----------------------|----------------------|
| Trade debtors | 16,742 | 27,723 |
| Sundry debtors and prepayments | 7,327 | 3,525 |
| Vat debtor | 2,511 | - |
| | <u>26,580</u> | <u>31,248</u> |

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Notes to the accounts for the year ended 31st December 2020 (*continued*)

7. Current asset investments

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Development fund monies deposited in Deposit accounts | 123,216 | 133,700 |
| | <u>123,216</u> | <u>133,770</u> |

8. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|---------------------------------|---------------|---------------|
| Trade creditors | 4,089 | 2,632 |
| Deposits received in advance | 17,162 | 19,514 |
| Social security and other taxes | 2,602 | 113 |
| Accruals | 4,675 | 1,040 |
| | <u>28,528</u> | <u>23,299</u> |

9. Pensions

The charity contributes to a defined contribution scheme on behalf of its employees. The pension charge for the year represents contributions payable by the charity to the fund and amounted to £1,911 (*2019: £1,886*). There were no contributions outstanding at the end of the year (*2019: nil*).

10. Reconciliation of movement in funds

| | Fixed Assets Fund 2020 £ | Designated Fund 2020 £ | General Fund 2020 £ | Total Funds 2020 £ |
|------------------------------|-----------------------------------|---------------------------------|------------------------------|-----------------------------|
| Total funds brought forward | 65,351 | 20,000 | 150,539 | 235,890 |
| <i>Movement in the year:</i> | | | | |
| Income | - | - | 89,770 | 89,770 |
| Expenditure | (284) | - | (110,174) | (110,458) |
| Transfer between Funds | - | - | - | - |
| Total funds carried forward | <u>65,067</u> | <u>20,000</u> | <u>130,135</u> | <u>215,202</u> |

The designated fund of £20,000 has been put aside out of a large gift received towards the future costs of Translating literature into other languages.