

Company registration number: 05947463

Charity registration number: 1119562

Heart Church

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2023

Page Kirk LLP
Chartered accountants and statutory auditors
Sherwood House
7 Gregory Boulevard
Nottingham
NG7 6LB

Heart Church

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Heart Church

Reference and Administrative Details

Trustees	Miss S Abel Mr M W Baxter Mr G A Bowen Mr A M Dickin Mr N C Gale Mr M Jones Mr B M Kakimpa Mrs F I Ojambati Miss D Siriboe Mrs O O Shonde
Secretary	Mrs J Wallington-Jones
Charity Registration Number	1119562
Company Registration Number	05947463
Registered Office	104-114 Talbot Street Nottingham NG1 5GL The charity is incorporated in England and Wales.
Auditor	Page Kirk LLP Chartered accountants and statutory auditors Sherwood House 7 Gregory Boulevard Nottingham NG7 6LB
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE
Bankers	Natwest Smiths Bank Branch 16 South Parade Nottingham NG1 2JX

Heart Church

Senior Leader's statement

In 2023, it truly felt like we were fully emerging from the pandemic. People who had been hesitant to return to church began to find the confidence to come back, and services that had felt sparse started to feel fuller.

For Vision Sunday in 2023, I directed attention to three words: 'GO, SOW, GROW'. Each word has a distinct meaning, yet they also interconnect. The core message was to remind the church that we are a community on a mission. We should not approach church with a perpetual sense of neediness; instead, we should be people who 'GO', shine as a light, and not remain hidden. Heart Church needed to regain confidence in this mission. We emphasised that our confidence in God is closely tied to our closeness to Him, and our continual call is to guide people toward a discipleship that fosters a deep relationship with God.

What grows is profoundly affected by what is sown, making it crucial to source our 'seed' properly. A close relationship with God influences not just our faith but our entire lives. True human flourishing begins and ends with Jesus. We work diligently to equip and empower people to develop their faith and provide them with practical tools for everyday life.

We offered pre-marriage courses to help individuals making one of life's biggest decisions and then marriage courses akin to an MOT for marriages, Parenting courses, and The Money Course to assist with personal financial management, among others.

It's notable that our first Teaching Pastor, appointed last year, conducted a highly regarded Bible study course called 'The Story of the Scriptures'.

This comprehensive approach to our teaching has helped our church grow both numerically and spiritually.

One of our core mantras, derived from our Vision statement, is to 'influence tomorrow, today'. Whether we act or remain passive, we shape the future, so let's continue to be proactive and intentional about our direction and desired outcomes.

Our Christmas spectacular was deemed a triumph, was well attended and notably by many people who would not usually attend church. However despite the success, we may need to review just how much time we dedicate to this one event.

This year, the Heart Church Trustees generously granted me a Sabbatical in celebration of my 10 years of service as Senior Leader. This was a rewarding and restorative experience for which I am very grateful.

Whilst this is the 2023 Senior Leaders statement it would seem strange (considering the timing) not to mention a significant financial breakthrough at the beginning of July 2024. After a 32 year wait, we finally closed a deal on the sale of some land out at Toton. Our portion of this will ultimately leave us with an amount just shy of 13 million pounds which will seriously contribute to our long awaited hope of building a 'home' for Heart Church.



Malcolm Baxter
Senior Leader

Heart Church

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2023.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Miss S Abel
	Mr M W Baxter
	Mr G A Bowen
	Mr A M Dickin
	Mr N C Gale
	Mr M Jones
	Mr B M Kakimpa
	Mrs F I Ojambati
	Miss D Siriboe
	Mrs O O Shonde

Secretary:	Mrs J Wallington-Jones
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Structure, governance and management

Nature of governing document

Heart Church ("the Church") is a charitable company and is also registered as a charity. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. New Memorandum and Articles of Association were adopted on 25 April 2018 and were updated on 31 July 2019.

Recruitment and appointment of trustees

The Elders and current Trustees of the Church identify suitable candidates who are invited to serve as Trustees. Suitability would be based, primarily, on commitment to Heart Church, demonstrated by membership, regular attendance and a high degree of involvement. Potential candidates are not appointed as Trustees due to any particular professional competence that they may be able to bring although this is identified by means of a skills matrix within the Charity's risk management strategy and utilised as appropriate.

The current trustees give consideration to equality, diversity and inclusion when inviting new trustees.

Induction and training of trustees

New trustees are provided with appropriate documents including the Memorandum of Association, accounts and budgets, conflict of interest policy and form and various other Charity Commission guidance documents.

The Chair of trustees and Finance Manager meet new trustees to brief them on current matters within the charity and trustees are invited to attend various staff training sessions.

Heart Church

Trustees' Report

Arrangements for setting key management personnel remuneration

All staff are subject to the same performance related pay process. The results of these processes are ratified by a Salaries Committee delegated by the board of trustees. Malcolm Baxter's pay award is set by this independent committee.

Organisational structure

The oversight and governance of the Church is vested in the board of trustees comprising the Senior Leader together with duly appointed or elected individuals from the Church. Spiritual oversight of the Church and its activities is vested in an Eldership.

Strategy and management of Heart Church is delegated to the Leadership Team under the direction of the Senior Leader.

Relationships with related parties

73rd Trust

73rd Trust engages the unchurched through relevant communication of the Gospel. Heart Church and 73rd Trust share a trustee (Nigel Gale) who declares a conflict of interest at Heart Church board meetings, if appropriate. 73rd Trust's primary employee, Mark Ritchie, served as an elder of Heart Church until December 2022.

Risk management

The Trustees actively review the major risks which Heart Church faces on a regular basis, in particular those relating to its operations and finances. They are satisfied that systems are in place to mitigate Heart Church's exposure to the major risks. The Trustees' formal risk management strategy comprises: -

- an annual review of the risks which Heart Church may face;
- the adequacy of current systems and procedures to mitigate those risks identified in the strategy; and
- the implementation of procedures designed to minimise any potential risk on Heart Church should any of those risks materialise.

The strategy is reviewed and discussed at Operations meetings and then reported to the board of trustees.

Key controls used by Heart Church include:

- formal agendas for all Board of Trustees activity;
- key person insurance;
- strategic planning, budgeting and management accounting;
- formal written policies;
- clear authorisation and appraisal levels; and
- vetting principles as required by law for the protection of the vulnerable.

Heart Church

Trustees' Report

Tax status

Heart Church is a registered charity (No. 1119562) and is exempt from corporation tax. It has two subsidiaries:

- T Land Limited is a registered company (No. 06325433) and is registered for corporation tax.
- T Street Limited is a registered dormant company (No. 04757373) and is exempt from corporation tax.

Objectives and activities

Objects and aims

The objectives of Heart Church continue as they have for decades, to proclaim the good news of Jesus Christ; to help believers develop in their faith and fulfil their potential and to reach out to the marginalised in our society, regardless of their circumstances. These aims are formally stated within the Memorandum of Association in that:-

The objects of the charity are for the benefit of the public:

- to advance the Christian faith in accordance with the Statement in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit;
- to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of counselling and support in such parts of the United Kingdom or the world as the directors from time to time think fit; and
- to advance education in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit.

Public benefit

The section of this report above entitled objectives and activities sets out the aims and priorities of the trust.

The Trustees have considered this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit together with the more specific guidance provided by their publication The Advancement of Religion for the Public Benefit, and have concluded:

1. That the aims of the organisation continue to be charitable;
2. That the aims and work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
3. That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
4. That there is no detriment or harm arising from the aims or activities.

A more detailed explanation of how the Trustees believe that they have discharged their responsibilities to deliver a public benefit is included in the Achievements and Performance section below.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Heart Church

Trustees' Report

Grant making policies

During the year Heart Church awarded gifts and donations totalling £40,222 (2022: £66,765). Heart Church's policy is to make gifts of this nature to individuals and organisations which further the objectives of Heart Church and each request is reviewed by the Trustees on this basis.

Achievements and performance

Sunday Services

Sunday Services continued to play a key role in the life of our church activities at Heart Church through 2023. These were opportunities for the church to gather for public worship, teaching, preaching, evangelism, and community - from birth to seniors, with a congregation from diverse backgrounds.

In 2023, we continued to hold the majority of our Sunday services in King's Meadow Campus (KMC) - a campus of the University of Nottingham, with some services held at the Albert Hall in the city centre when KMC was unavailable for hire, and a pre-recorded online service when neither of the venues were available. We maintained a healthy rhythm for the staff and volunteers who set up and set down each week and made church happen across rented accommodation.

Throughout the year, we focused on several different preaching and teaching series, including:

- An 'I Am' series looking at the 7 'I am' statements made by Jesus in John's Gospel.
- An Easter Series titled 'No Greater Love'.
- Joseph: The Making of a Leader.
- Summer in Proverbs.
- The Book of Philipians.
- Christmas Series

We had our annual Vision Sunday where we focused on our overall vision for the year ahead. This year Vision Sunday was titled 'Go, Sow, Grow'. We held Child & Baby Blessing services and Adult Baptism services. Due to the number of people getting baptised, the celebrations were spread across multiple services. These saw large numbers of guests coming along to visit. Our Christmas Spectacular performances were a huge success, with three performances.

Heart Church

Trustees' Report

PASTORAL MINISTRY

There was significant pastoral activity during the year, whether supporting those planning to be married, those who were ill or bereaved, or enabling and supporting members of Heart Church to develop healthy lives, spiritually and otherwise.

Sunday Pastoral Team

The immediate point of contact for those facing life challenges (who approach us for prayer or counsel following a Sunday Service) is often the Sunday Pastoral Team - providing a "front door", a source of immediate pastoral response, triage, and a signposting service to those attending Sunday Services who might require deeper pastoral intervention or could have their needs met within one of our scheduled pastoral activities. There are currently 23 people on this team, including 4 new members added this year. A 'prayer and signposting' card system has been introduced and team members use the 'get involved' section of the new website to good effect to help people find their next steps.

The Care and Support Pastor role includes ongoing leadership of this team (including regular team training) and some team members continue to become involved in midweek pastoral activity under her supervision.

Integration

Our Connect Team continues to be the first point of contact for the majority of new people on a Sunday, as an increasing number of new people find their way to Heart Church every week. This team has been strengthened and has encouraged the congregation and other team members also to take responsibility for welcoming newcomers and helping them connect. During the year, 334 people let us know they were new to Heart Church. A great deal of effort has been expended by pastoral team members, on Sundays and midweek, to help these people find their place in the Heart Church community. The Growth Track course was a particular success in terms of integrating many of those people into Heart Church. Of these 334 new people, 68 have completed a Growth Track course and 68 have joined a Life Group or a team.

Parents Room Team

This room is staffed by a team of 7 volunteers who facilitate peer support and can access wider church resources should they be required during Sunday services. A team member is allocated to all expectant families to offer practical and spiritual support and this team has also further developed the pre-existing meal rota making sure that each family with a new baby receives a minimum of 7 cooked meals delivered to their home by team members (either life group, serving team or parents room team members). This has been provided to 14 families this year and continues to be a useful point of contact as well as ongoing support.

Little Hearts

The Heart Church parent and toddlers midweek activity continued and thrived in the year, with our Care and Support Pastor taking the lead. She introduced a team meeting every quarter where the team could bring their ideas and feedback into a forum where they are heard and hopefully feel valued. The Little Hearts team organised 2 trips, 1 to Stonebridge Farm and the other to Floraland. Heart Nottingham also organised a trip to the Christmas Spectacular for users of the service. In many ways the group is flourishing, seeing an average number of 25 children attend each week.

Life Groups

At the end of 2023, we had 45 Life Group leaders with 246 members in groups. Although these numbers are an increase from 2022, this signifies a real-term decrease in the percentage of congregants in Life Groups when taken in the context of increasing Sunday Service attendance. The development of this area of ministry remains a priority to ensure connection, care and devotional engagement across the Church.

Heart Church

Trustees' Report

Courses

Much of the pastoral effort expended has been in enabling congregants to develop personal skills, knowledge, and practices to allow them to flourish as Christians, in whatever context or life stage they find themselves, through courses and coaching relationships.

In the year there were 236 attendees on such courses:

- Growth Track: 63 (6 courses)
- Freedom in Christ: 41 (2 courses)
- Alpha Course: 20 (2 courses including 1 online)
- The Money Course: 6 (1 course)
- The Parenting Course: 7 (1 course)
- The Marriage Course: 14 (1 course)
- The Story of the Scriptures: 156 (2 courses)
- Marriage Prepare/Enrich: 8

Young Adults

Young Adults continue to be a huge portion of our congregation, with many of them actively involved in the life of Heart Church. However, many of them remain on the fringes. We recognise and aim to meet some of the unique needs of both students and young adults for community and discipleship.

This year we have focused on growing and strengthening our Young Adults Team. The main aim of the team is to set the culture and outwork the vision. The culture we want to develop in the young adult community is a culture where they can belong as family, be engaged in the life of Heart Church, and be growing actively in their faith. Lots of this happens through authentic relationships and connections which we want to empower and equip the team to model.

Young Adult Hangs - Our Young Adults 'Hang' now happens 3 times a month and each week we have anywhere between 15 and 50 young adults join. New people consistently attend our 'hang' and almost every week we have people for whom it's their first time at Heart Church. We now have around 5-6 team members each week who intentionally invite people along. The team helps to create an inclusive culture.

The aim of these 'hangs' is to enable young adults and students to develop deeper relationships and for new people to get connected to the Church family. Our prayer is that these environments would also create spaces for young adults to enter into deeper conversations about their faith. We praise God for stories of this happening recently.

YA Nights - The heart of these events is to provide young adults with input and teaching into areas of their lives that impact them as christian young adults that we don't often talk about in church. We want to create space for young adults to explore and start healthy conversations around these topics whilst equipping them to live how Jesus calls us. We had a great night on singleness, dating, and marriage in September, and in November we focused on the bible and some of the scriptures that our young adults grapple with.

Students

During the Autumn term, we ran 2 student lunches at City Site where we provided food and helped students get connected within Heart Church. Each event was attended by around 150 people. This increase in number was due to many factors, but we think one of the main reasons was due to team members personally inviting people. We now have around 20 people on the young adults team.

We followed these events up with a 'Welcome Home' event where the idea of 'home' was explored, aiming to inspire and equip students to make their home here at Heart Church.

Heart Church

Trustees' Report

We have also had the opportunity to visit the Christian Unions and continue to build relationships with the universities in our city. We attended and / or spoke at 6 of their events in 2023 across UON, NTU, and Sutton Bonington campus.

Hospitality

The process of revisiting Heart Church's vision for hospitality has continued, putting some clearer definitions and expectations to hospitality across all areas of church engagement with congregants and team members, resourcing appropriately and clearly. There has been an increase in team numbers, team leadership, and team focus. During the year the team provided hospitality across many departments and courses including Baptisms, Alpha, Freedom in Christ, Nottingham City Prayer, Leadership days, Trustee meetings, Staff meetings, and all Sunday-based activities.

HEART YOUTH

Celie Townsend was appointed to cover Harriet Butler's maternity leave and was subsequently offered a permanent contract as Harriet chose not to return to her post.

2023 saw a change to Heart Youth's Friday night structure and the goal and purpose behind each night. Throughout 2023 there has been both numerical and spiritual growth. The average Friday night attendance has been 60. The seasonal events throughout the year were a great opportunity for young people to invite friends, which also impacted the numbers attending the regular Friday Night sessions. Some examples of this are: Valentine's party (64), Summer party (62), Bonfire night (96), Christmas party (96). It is also really pleasing to report growth within the team, with 14 new team members who serve regularly.

Spiritual growth was apparent for the young people and the youth and team alike, they became more passionate about worshipping and learning about God. Some topics / series covered over the year included: 'Plugging into Worship, the Bible & Prayer', 'The Gifts of the Holy Spirit', 'Hearing the Voice of God', 'Learning to Discern', 'A Zoom in on the book of Mark', 'Isaiah 43:19 A New Thing' and many more. Heart Youth launched 'Emerging Leaders' which enables young people to step out and be encouraged to develop in different areas of leadership, including hosting and preaching.

Team nights have been a great opportunity to encourage spiritual growth and build calibre within youth leaders. We have delivered teaching and training around; hearing the voice of God, coaching and mentoring, discipleship, and in-depth biblical teaching and encouragement. Team nights facilitate times of reflection and worship.

We had the opportunity to take the Easter and end-of-year services at Bluecoat Wollaton School, as well as going in to support other assemblies and events throughout the year. We also conducted the end-of-year services at Hucknall National School. Developing the relationships and connections with these schools allowed young people to hear about Heart Youth which resulted in many young people attending Heart Youth for the first time.

A couple of highlights from 2023 for Heart Youth is the Youth Festival that ran as part of Heart Week. This was an opportunity to connect with the youth of Nottingham with around 70 young people attending from the surrounding community. Another highlight was taking 27 young people and 13 leaders to Rock Nations which was a 3-day Youth Conference hosted in Bradford.

HEART NOTTINGHAM

Heart Nottingham exists to outwork Heart Church's passion to bless and serve the city of Nottingham through social engagement. Heart Nottingham had a full programme of activities for 2023.

Heart Church

Trustees' Report

January/February/March

From the Heart Offering: The total amount received from the December 2022 Christmas Spectacular was £4,646.42. This was given to Emmanuel House Winter Night Shelter.

Just Because Gift Bag: To celebrate the season of love, 80 gift bags were packed and distributed to families in need from Jericho Road, Safe Families, Women's Refuge, and Young Carers. The gift bags contained toiletries, sweets, fluffy socks, face masks, pens, and notebooks. 10 volunteers signed up for this February pop-up event.

Turkey earthquake appeal: Heart Nottingham signposted the Heart Church family to give directly to the Disaster Emergency fund.

April/May/June

Partner Profiling: Partner profiles were conducted during Sunday services, for Jericho Road, 100 Homes, and Justice and Care. Jericho Road was profiled in February. This generated some genuine interest with one person signing up to be a volunteer.

Easter: At the specific request of the staff at Melbourne House, a small group of volunteers held a short Easter service there. Easter gifts were donated to each resident - a basket of easter eggs. 'Just Because' gifts were also given to the staff, which contained toiletries, stationery, and sweet treats.

Additionally, in light of the cost of living crisis, food hampers with essential food items were packed and distributed to Young Carers' families and Safe Families. Bespoke hampers were also donated to 2 families with very specific needs - one young mother struggling to cover heating bills and another young mother with a newborn baby, in need of baby toiletries and essentials including nappies.

Greenfield Community School: We started a new relationship with this inner-city school based in the Meadows. A request for much needed stationery supplies was received. In response to their request, we were able to send a supply of handwriting pens, pencils, whiteboard and flip chart pens, glue sticks, PVA glue, A4 printing paper, coloured paper, A3 paper, flip chart paper, post-it notes, rulers, erasers, paperclips, and star stickers.

July/August/September

Sneinton C of E Book Week: The staff of Heart Church were thrilled to assist the school in its annual book week by helping to run the after-school book-themed fair. A considerable number of books were also donated to the school.

Heart Week

- Melbourne House - The residents and staff enjoyed an afternoon of summer treats which included live entertainment, where they enjoyed and sang along to songs from a bygone age.
- St Anns' Community Day - A funfair-themed afternoon event in conjunction with Hope Hut was organised. The community turned out in great numbers to enjoy the weather and be entertained by a clown, a pick-and-mix stand, inflatables, face painting, and sports activities.
- Youth Festival - A fun-packed afternoon was well received by the St Ann's Community with inflatables, graffiti board, BBQ food, a live DJ, and a very popular open mic activity.
- Drive-by donations saw a variety of items being dropped off across the week. Together with specific requests for school uniforms, 100's of items including bedding, children's clothing, and female adult clothing were donated to the Women's Refuge.
- Hamper packing saw an army of volunteers sort and pack back-to-school bags for 2 schools - Greenfield Community School based in the Meadows and Sneinton C of E school. The bags included items of school uniform and stationery.
- Emmanuel House Beach party - The service users were treated to an evening at the beach - with a traditional fish and chip supper, ice cream, and live entertainment.

Heart Church

Trustees' Report

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- **Greenfields Community School - Playground makeover.** A team of volunteers transformed the early years playground. This included repairing and painting the Wendy House, repairing the climbing frame, tidying the garden area, and providing new outdoor toys and activities.

October/November/December

Emmanuel House Harvest appeal: During October, Adventure Kids were encouraged to participate in a time of thanksgiving where the story of the harvest was shared. An appeal was made to all families for essential food items that would be donated to the Emmanuel House Harvest appeal.

Greenfields Community School: Provided baking ingredients for all Year groups, to give each child the opportunity to bake something with a Christmas theme before breaking up for Christmas.

Christmas Spectacular: Hosted over 50 Nottingham families at the annual Christmas Spectacular; 3 Coaches collected families from Sneinton (C of E school), St Ann's (Little Hearts) and The Meadows (Greenfield Community School). We welcomed VIP guests from Melbourne House and Refugee Roots.

The Heart Nottingham Manager and Administrator met with several partners during October and November with the primary aim of identifying specific needs and using the opportunity to update them on Heart Nottingham. Meetings were held with Emmanuel House, Safe Families, and Open Homes. They also attended the Christian Action Network Nottingham (CAN) meeting where church and community leaders met to discuss the growing housing crisis and refugee support in Nottingham.

Emmanuel House Tuesday Night Serve commenced on the 11th October 2022 and continued monthly throughout 2023. A very successful year with the number of service users increasing across the year. Service users from the Emmanuel House Winter Night Shelter were also invited. Volunteer numbers have also increased to a core team of 16. This event will continue into 2024.

Open Homes received 20 emergency toiletry bags filled with essential toiletries for young people experiencing homelessness and needing emergency accommodation.

Christmas

The Emmanuel House Christmas Party was held on Tuesday 12th December. This was a tremendous success with our volunteers preparing and sharing a 2 course meal for a record number of service users. We served just over 50 plates of food. Each service user also received a small and practical Christmas present. The evening's entertainment was very well received, with a live performance by a very talented singer.

Sneinton C of E and Greenfield Schools received more than 100 toys each. The toys will be distributed to families where there is a need. Having received an SOS call from Sneinton C of E school regarding a family of 7 made homeless following the unprecedented storms and resulting flooding, an application was made to the Jubilee Foundation.

From the Heart Donation

We recommended the following 2 charities to be beneficiaries of the Christmas Offering. We made good contact with each charity and established good relationships with them.

Justice & Care is a team of pioneers seeking to address the negative impact of modern slavery on men, women, and children all over the world. In the UK alone there are estimated to be over 100,000 victims of modern slavery, silently hidden in places like car washes, brothels, nail bars, restaurants, neighbourhoods, and the streets of our towns and cities. The charity is determined to bring an end to exploitation once and for all. The charity works closely with the police to identify men, women, and children trapped in modern slavery and support them to walk free, providing specialist aftercare, journeying with them on the road to recovery, and bringing all those responsible to justice.

Heart Church

Trustees' Report

Refugee Roots is a Christian charity that helps asylum seekers and refugees build relationships and navigate the complexities of building a new life in the UK. Refugee Roots offers a warm welcome, hospitality, support, and friendship to refugees and asylum seekers through a range of befriending, support, and empowerment initiatives. On the 14th December, we hosted the Refugee Roots Christmas party.

Safe Families received 10 £30 Tesco gift vouchers to be handed out to 10 of their families. This was a specific request in the light of the cost of living crisis.

Melbourne House Christmas Carols and Mince Pies: A team of 7 volunteers went to Melbourne House and sang Christmas Carols with the residents and staff.

Sneinton C of E School received 5 emergency toiletry gift bags for vulnerable families in need of essential toiletries.

HEART WOMEN

It was agreed by the Leadership Team that due to the success of events held in previous years and enthusiasm amongst the women of the church to meet together, there would be 2 events per year going forward. The team developed well and worked with the strategy of, 'Heart Women is for the women of the church, by the women of the church.' In May, an evening event was attended by 170 women and 3 members of the Heart Women team spoke. In October, the team decided to host a Saturday morning breakfast with seminar options, which was well attended by 150 women and received positive feedback in relation to the breakout options of; 'I want to make time for Jesus in my busy life', 'I want to thrive in my singleness' and 'I want to know peace in the chaos'.

ADVENTURE KIDS

Throughout 2023, Adventure Kids had an average attendance of 66 children a week. The highest attendance was in July, with a weekly average of 87. We had a few changes to the groups we have and the rooms we use throughout the year, which we navigated and settled into our new spaces well.

Throughout the year we have aligned the children's teaching to the teaching in the main service. This created cohesion and consistency throughout the Church and has worked well. The series included; 'I AM', 'Joseph' and 'Philippians'. We also had a lot of stand-alone weeks where we covered themes such as; 'Designed by God', 'The Bible', and 'Fruits of the Spirit'.

We had a great Vision Sunday together as Adventure Kids. We delivered the vision of 'Go, Sow, Grow' in a way that was engaging, accessible, and fun for the children. We then looked at each of the points of the vision in more detail throughout the year. Fostering Sunday was a powerful week in Adventure Kids. We interviewed a few children who are fostered and adopted. We linked into the theme of 'home' and encouraged the children to think about what they have in their lives that they could share with other people.

We launched Adventure Kids Wide and had over 50 children join us during the October half term at City Site for an afternoon of worship, teaching, and fun. The main hall was full of inflatables, games, and activities, and we held teaching sessions downstairs in the overflow room. We focused the teaching on 'Waymaker, miracle worker, promise keeper, light in the darkness' and looked at how God is all of these things to us.

It was great to have our first 'Adventure Kids Grownups' gathering. This was an opportunity to gather parents and carers, chat about what God is doing in Adventure Kids, share vision, and create an opportunity for parents / carers to create a connection with each other.

Heart Church

Trustees' Report

22 people joined the Adventure Kids team in 2023. This growth has been incredible and has meant we were able to have more children in Adventure Kids. 27 children moved up to youth in September. Working closely with the youth team, we made some changes to help the young people with this transition, it was great to see them settling into youth so quickly.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Financial review

Policy on reserves

The management committee have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by Heart Church should be between 3 and 6 months of the resources expended, which equates to £250,000 to £500,000 in general funds. At this level, the management committee feel that they would be able to continue the current activities of Heart Church in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed. At 31 December 2023, Heart Church held free reserves of £927,775 (2022: £1,211,906) and so the target level has been met.

Heart Church

Trustees' Report

Investment policy and objectives

The Trustees have the power to invest in such assets as they see fit. Heart Church has a policy of keeping any surplus liquid funds in deposit accounts. These deposits are arranged such that funds can be accessed at reasonably short notice. In addition, Heart Church holds land, included in these accounts at an amount of £1,100,000, which is rented to a third party at arm's length and under normal commercial terms.

The trustees consider the provisions of CC14 Charities and investment matters: a guide for trustees and structure their investment policy accordingly.

Having calculated forthcoming cashflow requirements, the trustees primarily invest in a range of products via an online cash management platform. These funds are invested for a maximum of 12 months. The trustees also keep some funds available in treasury accounts with its principal banker.

FUTURE PLANS

Vision Sunday 2023 was based on the theme 'Go, Sow, Grow.

Pointing those at Heart Church to 'Go' and make a positive impact in their local communities; to 'Sow' by being generous in our attitudes and actions as we invest into the future; and to 'Grow' in their faith and in community here at Heart Church.

Campuses

Campuses in the City and beyond remain our aspirational plan, but are tempered by current needs. We are committed to our plan to disciple and deepen people's relationship with God, therefore strengthening the local church spiritually as well as numerically.

Heart Nottingham

The social outreach arm of the church remains a priority and we continue to develop and strengthen our relationship with our partners, whilst always remaining open to seizing fresh opportunities and developing new partnerships.

Youth and Children

Going forward we will be looking to bolster our youth and Children's work, further extending our reaching into schools in the City.

Building

Sourcing a permanent solution to our building requirements, continues to be of paramount importance.

It is our hope and expectation that this will be a viable option, in the not too distant future.

Heart Church

Trustees' Report

Statement of Responsibilities

The trustees (who are also the directors of Heart Church 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. 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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these 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 applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.


Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

Page Kirk LLP have indicated their willingness to be reappointed for another term. In accordance with the Companies Act 2006 a resolution proposing the appointment of Page Kirk LLP as auditor will be put to the members.

The annual report was approved by the trustees of the charity on 26 September 2024 and signed on its behalf by:

Signed by:

 5AAB7484E97E4F8:.....
 Mr M Jones
 Trustee

Heart Church

Independent Auditor's Report to the Members of Heart Church

Opinion

We have audited the financial statements of Heart Church (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

After the balance sheet date, it was determined that the land at Toton, which had been transferred to T Land Limited from its parent charity Heart Church in 2010, should be transferred back to Heart Church as the initial transfer had not been correctly performed in line with the Charity Commission's guidance. Therefore the investment has been disposed of in the year and has transferred to the parent charity via the inter-company loan balance.

Heart Church

Independent Auditor's Report to the Members of Heart Church

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Heart Church

Independent Auditor's Report to the Members of Heart Church

Responsibilities of trustees

As explained more fully in the Statement of Responsibilities (set out on page 15), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Taxation legislation, COVID - furlough income and Money Laundering.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included:

- Enquiries of management about their own identification and assessment of the risks of irregularities.
- Sample testing on the posting of journals.
- Reviewing meeting minutes, regulatory correspondence and professional fees.
- Detailed substantive testing on the completeness of income.

Heart Church

Independent Auditor's Report to the Members of Heart Church

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

James Haywood

.....DE9D310D1AD349C.....
James Haywood ACA (Senior Statutory Auditor)
For and on behalf of Page Kirk LLP, Statutory Auditor

Sherwood House
7 Gregory Boulevard
Nottingham
NG7 6LB

26 September 2024

Heart Church

Consolidated Statement of Financial Activities for the Year Ended 31 December 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	1,102,638	41,113	1,143,751
Charitable activities	4	31,581	-	31,581
Investment income	5	46,029	-	46,029
Total income		<u>1,180,248</u>	<u>41,113</u>	<u>1,221,361</u>
Expenditure on:				
Charitable activities	7	<u>(1,406,563)</u>	<u>(33,385)</u>	<u>(1,439,948)</u>
Total expenditure		<u>(1,406,563)</u>	<u>(33,385)</u>	<u>(1,439,948)</u>
Gains/losses on investment assets		<u>12,241,038</u>	<u>-</u>	<u>12,241,038</u>
Net income		<u>12,014,723</u>	<u>7,728</u>	<u>12,022,451</u>
Net movement in funds		12,014,723	7,728	12,022,451
Reconciliation of funds				
Total funds brought forward		<u>3,030,750</u>	<u>321,863</u>	<u>3,352,613</u>
Total funds carried forward	20	<u><u>15,045,473</u></u>	<u><u>329,591</u></u>	<u><u>15,375,064</u></u>

The notes on pages 25 to 58 form an integral part of these financial statements.

Heart Church

Consolidated Statement of Financial Activities for the Year Ended 31 December 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	1,047,997	37,755	1,085,752
Charitable activities	4	31,932	333	32,265
Investment income	5	6,281	-	6,281
Total income		<u>1,086,210</u>	<u>38,088</u>	<u>1,124,298</u>
Expenditure on:				
Charitable activities	7	<u>(1,409,380)</u>	<u>(67,472)</u>	<u>(1,476,852)</u>
Total expenditure		<u>(1,409,380)</u>	<u>(67,472)</u>	<u>(1,476,852)</u>
Gains/losses on investment assets		<u>317</u>	<u>-</u>	<u>317</u>
Net expenditure		(322,853)	(29,384)	(352,237)
Transfers between funds		91,134	(91,134)	-
Other recognised gains and losses				
Deferred tax on investment		<u>(5,365)</u>	<u>-</u>	<u>(5,365)</u>
Net movement in funds		(237,084)	(120,518)	(357,602)
Reconciliation of funds				
Total funds brought forward		<u>3,267,834</u>	<u>442,381</u>	<u>3,710,215</u>
Total funds carried forward	20	<u><u>3,030,750</u></u>	<u><u>321,863</u></u>	<u><u>3,352,613</u></u>

All of the group's activities derive from continuing operations during the above two periods.

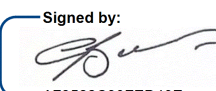
The funds breakdown for 2022 is shown in note 20.


The notes on pages 25 to 58 form an integral part of these financial statements.

Heart Church
(Registration number: 05947463)
Consolidated Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	933,557	974,530
Investments	13	<u>23,517,000</u>	<u>1,100,000</u>
		<u>24,450,557</u>	<u>2,074,530</u>
Current assets			
Debtors	14	84,384	69,395
Cash at bank and in hand	15	<u>1,290,610</u>	<u>1,506,478</u>
		1,374,994	1,575,873
Creditors: Amounts falling due within one year	16	<u>(4,157,038)</u>	<u>(74,907)</u>
Net current (liabilities)/assets		<u>(2,782,044)</u>	<u>1,500,966</u>
Total assets less current liabilities		21,668,513	3,575,496
Creditors: Amounts falling due after more than one year	17	(6,177,807)	-
Provisions	18	<u>(115,642)</u>	<u>(222,883)</u>
Net assets		<u>15,375,064</u>	<u>3,352,613</u>
Funds of the group:			
Restricted income funds			
Restricted funds	20	329,591	321,863
Unrestricted income funds			
Unrestricted funds		2,010,570	2,236,885
Revaluation reserve		<u>13,034,903</u>	<u>793,865</u>
Total unrestricted funds		<u>15,045,473</u>	<u>3,030,750</u>
Total funds	20	<u>15,375,064</u>	<u>3,352,613</u>

The financial statements on pages 20 to 58 were approved by the trustees, and authorised for issue on 26 September 2024 and signed on their behalf by:

Signed by:

A73522C90FED40E.....
 Mr G A Bowen
 Trustee

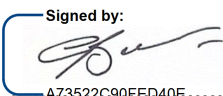
Signed by:

5AAB7484E97E4F8.....
 Mr M Jones
 Trustee


The notes on pages 25 to 58 form an integral part of these financial statements.

Heart Church
(Registration number: 05947463)
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	933,557	974,530
Investments	13	<u>23,517,001</u>	<u>310,001</u>
		<u>24,450,558</u>	<u>1,284,531</u>
Current assets			
Debtors	14	84,384	444,253
Cash at bank and in hand	15	<u>1,281,278</u>	<u>1,481,260</u>
		1,365,662	1,925,513
Creditors: Amounts falling due within one year	16	<u>(4,155,953)</u>	<u>(65,647)</u>
Net current (liabilities)/assets		<u>(2,790,291)</u>	<u>1,859,866</u>
Total assets less current liabilities		21,660,267	3,144,397
Creditors: Amounts falling due after more than one year	17	(6,177,807)	-
Provisions	18	<u>(115,642)</u>	<u>(130,129)</u>
Net assets		<u><u>15,366,818</u></u>	<u><u>3,014,268</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds	20	329,591	321,863
Unrestricted income funds			
Unrestricted funds		2,092,324	2,692,405
Revaluation reserve		<u>12,944,903</u>	<u>-</u>
Total unrestricted funds		<u>15,037,227</u>	<u>2,692,405</u>
Total funds	20	<u><u>15,366,818</u></u>	<u><u>3,014,268</u></u>

The financial statements on pages 20 to 58 were approved by the trustees, and authorised for issue on 26 September 2024 and signed on their behalf by:

Signed by:

A73522C90FED40E.....
Mr G A Bowen
Trustee

Signed by:

5AAB7484E97E4F8.....
Mr M Jones
Trustee

The notes on pages 25 to 58 form an integral part of these financial statements.

Heart Church

Consolidated Statement of Cash Flows for the Year Ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash expenditure		(218,587)	(352,237)
Adjustments to cash flows from non-cash items			
Depreciation		87,916	91,319
Investment income	5	(46,029)	(6,281)
Profit on disposal of investments		-	(317)
Revaluation of investments		-	(5,365)
Deferred tax on investment		-	5,365
		<u>(176,700)</u>	<u>(267,516)</u>
Working capital adjustments			
Increase in debtors	14	(14,991)	(42,033)
Decrease in creditors	16	(8,776)	(13,994)
Decrease in provisions	18	<u>(14,487)</u>	<u>(14,292)</u>
Net cash flows from operating activities		<u>(214,954)</u>	<u>(337,835)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	46,029	6,281
Purchase of tangible fixed assets	12	(57,433)	(10,016)
Sale of tangible fixed assets		10,490	-
Sale of investments		-	317
Net cash flows from investing activities		<u>(914)</u>	<u>(3,418)</u>
Net decrease in cash and cash equivalents		(215,868)	(341,253)
Cash and cash equivalents at 1 January		<u>1,506,478</u>	<u>1,847,731</u>
Cash and cash equivalents at 31 December		<u>1,290,610</u>	<u>1,506,478</u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 25 to 58 form an integral part of these financial statements.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

104-114 Talbot Street
Nottingham
NG1 5GL

These financial statements were authorised for issue by the trustees on 26 September 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Heart 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 notes.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a profit after tax for the financial year of £12,352,550 (2022 - loss of £319,599).

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Exemption from preparing a cash flow statement

The charity has adopted to not disclose a charitable company cash flow statement in these financial statements as permitted by the small companies regime.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Judgements

Investment land is stated at the director's valuation within the financial statements. The valuation of the land has required the directors to make judgements on the range of indicative land values received. This is explained further in note 14. The carrying value of the investment land at the year end is £23,517,000 (2022 £1,100,000).

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Fixed assets costing under £750 in value are not capitalised but treated as revenue expenditure in the year of purchase.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold property	2% to 10% straight line
Computer equipment	33 1/3% straight line
Fixtures and fittings	20% reducing balance
Plant and machinery	5 - 25% reducing balance
Motor vehicles	33 1/3% straight line

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Fixed asset investments

Group investment land is included in the financial statements at fair value as determined by the directors. Any movement in the value of the land will be accounted through the Statement of financial activities.

Company shares in and loans to trading subsidiaries are included in the financial statements initially at cost and subsequently measured at cost less any accumulated impairment losses.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds		Restricted funds	Total 2023	Total 2022
	Designated	General			
	£	£	£	£	£
Missions	-	-	27,256	27,256	39,259
General Tithes	-	903,818	-	903,818	877,441
Other gifts	630	-	13,857	14,487	9,366
Gift aid reclaimed	-	198,190	-	198,190	159,384
Government grants	-	-	-	-	302
	<u>630</u>	<u>1,102,008</u>	<u>41,113</u>	<u>1,143,751</u>	<u>1,085,752</u>

4 Income from charitable activities

	Unrestricted funds		Total 2023	Total 2022
	Designated	General		
	£	£	£	£
Sundry receipts	<u>50</u>	<u>31,531</u>	<u>31,581</u>	<u>32,265</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

5 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Other income from fixed asset investments	41,949	-	41,949	2,201
Rent receivable	4,080	-	4,080	4,080
	<u>46,029</u>	<u>-</u>	<u>46,029</u>	<u>6,281</u>

6 Gifts made

During the year, Heart Church has made the following gifts:

	No of gifts	2023 £	No of gifts	2022 £
United Kingdom:				
Open Homes Nottingham	-	-	3	1,270
73rd Trust	13	3,390	15	4,458
Jericho Road	-	-	2	845
Jubilee Foundation	7	3,116	14	2,099
Emmanuel House	1	4,646	1	1,178
CDA (CAP)	-	-	1	2,998
Medair UK	-	-	2	8,614
Other small gifts in the year	47	5,723	58	7,176
	<u>68</u>	<u>16,875</u>	<u>96</u>	<u>28,638</u>
Overseas:				
Ghana - King's Village	4	21,816	16	33,642
Ghana - B & M Owusu-Sekyere as missionaries	4	1,031	7	1,185
Ukraine Crisis	1	500	1	3,300
	<u>9</u>	<u>23,347</u>	<u>24</u>	<u>38,127</u>
Total gifts made:	<u>77</u>	<u>40,222</u>	<u>120</u>	<u>66,765</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

7 Expenditure on charitable activities

		Unrestricted funds		Restricted funds	Total
	Note	Designated	General	funds	2023
		£	£	£	£
Other direct costs		5,465	24,850	763	31,078
Grant funding of activities		500	9,713	30,610	40,823
Staff costs		-	674,195	-	674,195
Allocated support costs	8	252,408	439,432	2,012	693,852
		<u>258,373</u>	<u>1,148,190</u>	<u>33,385</u>	<u>1,439,948</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

8 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds		Restricted funds	Total 2023	Total 2022
	Designated	General			
	£	£	£	£	£
Staff costs	-	49,521	-	49,521	42,885
Premises costs	147,939	235,294	1,351	384,584	354,684
Depreciation	632	80,992	-	81,624	91,319
Legal and professional	103,228	10,192	-	113,420	172,368
Governance costs	-	19,392	-	19,392	25,398
Other costs	609	44,041	661	45,311	54,337
	<u>252,408</u>	<u>439,432</u>	<u>2,012</u>	<u>693,852</u>	<u>740,991</u>

9 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

	2023		2022	
	Remuneration	Expenses	Remuneration	Expenses
	£	£	£	£
Miss S Abel	34,127	275	32,514	-
Mr M W Baxter	63,553	5,187	60,219	633
Mr G A Bowen	53,464	416	50,929	30
Mr A M Dickin	22,913	246	21,739	74
Mr L C James-Davis	-	-	3,971	124
	<u>-</u>	<u>-</u>	<u>3,971</u>	<u>124</u>

The trustees through their attendance at church and support of the charity give voluntary tithes and collections to the charity throughout the year. Donations made by the trustees without any conditions attached totalled £58,630 for the year (2022 - £85,888).

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

10 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	629,584	592,516
Social security costs	45,030	46,321
Pension costs	49,102	47,494
	<u>723,716</u>	<u>686,331</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Senior leadership	7	7
Support staff	16	17
Administrative staff	3	3
	<u>26</u>	<u>27</u>

18 (2022 - 18) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £49,102 (2022 - £47,494).

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £281,092 (2022 - £268,450).

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

11 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>12,000</u>	<u>10,200</u>
Other fees to auditors		
Taxation compliance services	360	2,580
All other non-audit services	<u>7,032</u>	<u>10,748</u>
	<u>7,392</u>	<u>13,328</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

12 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost					
At 1 January 2023	787,071	32,434	8,100	756,946	1,584,551
Additions	-	-	-	57,433	57,433
Disposals	-	(4,562)	-	(32,003)	(36,565)
At 31 December 2023	<u>787,071</u>	<u>27,872</u>	<u>8,100</u>	<u>782,376</u>	<u>1,605,419</u>
Depreciation					
At 1 January 2023	251,977	23,130	6,205	328,709	610,021
Charge for the year	15,632	1,807	632	69,845	87,916
Eliminated on disposals	-	(3,808)	-	(22,267)	(26,075)
At 31 December 2023	<u>267,609</u>	<u>21,129</u>	<u>6,837</u>	<u>376,287</u>	<u>671,862</u>
Net book value					
At 31 December 2023	<u>519,462</u>	<u>6,743</u>	<u>1,263</u>	<u>406,089</u>	<u>933,557</u>
At 31 December 2022	<u>535,094</u>	<u>9,304</u>	<u>1,895</u>	<u>428,237</u>	<u>974,530</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost					
At 1 January 2023	787,071	32,434	8,100	756,946	1,584,551
Additions	-	-	-	57,433	57,433
Disposals	-	(4,562)	-	(32,003)	(36,565)
At 31 December 2023	<u>787,071</u>	<u>27,872</u>	<u>8,100</u>	<u>782,376</u>	<u>1,605,419</u>
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At 31 December 2022	<u>535,094</u>	<u>9,304</u>	<u>1,895</u>	<u>428,237</u>	<u>974,530</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

13 Fixed asset investments

Group

	2023	2022
	£	£
Investment land	<u>23,517,000</u>	<u>1,100,000</u>

Other investments

	Investment land £	Total £
Cost or Valuation		
At 1 January 2023	1,100,000	1,100,000
Revaluation	<u>22,417,000</u>	<u>22,417,000</u>
At 31 December 2023	<u>23,517,000</u>	<u>23,517,000</u>
Net book value		
At 31 December 2023	<u>23,517,000</u>	<u>23,517,000</u>
At 31 December 2022	<u>1,100,000</u>	<u>1,100,000</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

The unlisted investment of land held by the company was revalued by the directors at 31 December 2023, and in their opinion the fair value of the land was considered to be £23,517,000. The valuation was made by the directors based on the sales price of the 56.2 acre parcel of land on 5 July 2024.

Approximately 1.2 acres of the land was granted back to the Council on a compulsory purchase order which was recognised in 2021 due to the conclusion that T Land Limited was not a constructive trust of Heart Church. The recognised value of this disposal was £24,000 in comparison with the 2014 valuation of £1,124,000.

The historical cost of the unlisted investment is £310,000 (2022: £310,000).

The land was originally acquired by the trustees of the Christian Centre (which was at the time an unincorporated charity) in 1992, transferred to the Charity following its incorporation and subsequently transferred to its subsidiary T Land Limited in 2010. A court ruled that the necessary procedures for this transfer had not have been completely followed and as a result the transfer is void such that ownership reverts back to the Charity. The land was therefore transferred from T Land Limited to Heart Church.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Charity

	2023 £	2022 £
Shares in group undertakings and participating interests	1	1
Loans to group undertakings and participating interests	-	310,000
Investment land	<u>23,517,000</u>	<u>-</u>
	<u>23,517,001</u>	<u>310,001</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2023	<u>1</u>	<u>1</u>
At 31 December 2023	<u>1</u>	<u>1</u>
Net book value		
At 31 December 2023	<u>1</u>	<u>1</u>
At 31 December 2022	<u>1</u>	<u>1</u>

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

The charitable company owns 100% of the ordinary share capital of T Land Limited (company number 06325433), incorporated in England and Wales. T Land Limited's principal activity is that of land investment. The loss for the financial period of T Land Limited was £38,003 (2021 - profit of £35,598) and the aggregate amount of capital and reserves at the end of the period was £338,346 (2021 - £376,349).

The charitable company also owns 100% of the ordinary share capital of T Street Limited (company number 04757373), a company registered in England and Wales, which is presently dormant.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Loans to group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2023	310,000	310,000
Repaid	<u>(310,000)</u>	<u>(310,000)</u>
At 31 December 2023	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2022	<u>310,000</u>	<u>310,000</u>

Other investments

	Investment land £	Total £
Cost or Valuation		
Revaluation	22,417,000	22,417,000
Transfer from group company	<u>1,100,000</u>	<u>1,100,000</u>
At 31 December 2023	<u>23,517,000</u>	<u>23,517,000</u>
Net book value		
At 31 December 2023	<u>23,517,000</u>	<u>23,517,000</u>

14 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	4,550	7,600	4,550	3,520
Due from group undertakings	-	-	-	379,002
Prepayments	40,806	36,263	40,806	36,200
Other debtors	<u>39,028</u>	<u>25,532</u>	<u>39,028</u>	<u>25,531</u>
	<u>84,384</u>	<u>69,395</u>	<u>84,384</u>	<u>444,253</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

15 Cash and cash equivalents

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash on hand	2,320	2,547	2,320	2,547
Cash at bank	1,288,290	1,503,931	1,278,958	1,478,713
	<u>1,290,610</u>	<u>1,506,478</u>	<u>1,281,278</u>	<u>1,481,260</u>

16 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	17,805	18,790	17,805	17,110
Accruals	32,602	39,921	26,778	32,342
Due to group undertakings	-	-	4,739	-
Other creditors	4,092,639	4,395	4,092,639	4,394
Other taxation and social security	13,992	11,801	13,992	11,801
	<u>4,157,038</u>	<u>74,907</u>	<u>4,155,953</u>	<u>65,647</u>

17 Creditors: amounts falling due after one year

	Group	Charity
	2023	2023
	£	£
Other creditors	<u>6,177,807</u>	<u>6,177,807</u>

18 Provisions

Group	Employment provisions	Deferred tax	Total
	£	£	£
At 1 January 2023	(130,129)	(92,754)	(222,883)
Utilised during the period	<u>14,487</u>	<u>92,754</u>	<u>107,241</u>
At 31 December 2023	<u>(115,642)</u>	<u>-</u>	<u>(115,642)</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Charity

	Employment provisions £	Total £
At 1 January 2023	(130,129)	(130,129)
Utilised during the period	<u>14,487</u>	<u>14,487</u>
At 31 December 2023	<u>(115,642)</u>	<u>(115,642)</u>

Employment provision

This provision relates to future payments for life to be made to a former employee (and on death at a reduced rate for the life of the spouse of a former employee) under a formal agreement. The provision has been calculated using life expectancy data and the agreed payments to be made and is discounted to present values. This discount will unwind into future finance costs as the provision unwinds.

Deferred tax

The deferred tax liability set out above relates to the potential capital gain on the revalued investment in land.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

19 Reserves

Group

	Unrestricted revaluation reserve £	Total £
At 1 January 2023	(793,865)	(793,865)
Deficit on property revaluation	(796,619)	(796,619)
Other reserve movements	<u>(11,444,419)</u>	<u>(11,444,419)</u>
At 31 December 2023	<u><u>(13,034,903)</u></u>	<u><u>(13,034,903)</u></u>

Group

	Unrestricted revaluation reserve £	Total £
At 1 January 2022	(799,230)	(799,230)
Surplus on property revaluation	<u>5,365</u>	<u>5,365</u>
At 31 December 2022	<u><u>(793,865)</u></u>	<u><u>(793,865)</u></u>

Charity

	Unrestricted revaluation reserve £	Total £
At 1 January 2023	-	-
Deficit on property revaluation	(796,619)	(796,619)
Other reserve movements	<u>(12,148,284)</u>	<u>(12,148,284)</u>
At 31 December 2023	<u><u>(12,944,903)</u></u>	<u><u>(12,944,903)</u></u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

20 Funds

Group

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2023 £
Unrestricted funds						
General						
General funds	756,386	1,179,568	(1,089,933)	(12,241,038)	12,241,038	846,021
Designated						
Other designated funds	274,856	680	(128,112)	-	-	147,424
Building funds	513	-	-	-	-	513
Operation Rudolph	342	-	-	-	-	342
KMC Fund	721,295	-	(176,119)	-	-	545,176
Capital repairs	481,644	-	(12,273)	-	-	469,371
Music Production	1,849	-	(126)	-	-	1,723
	<u>1,480,499</u>	<u>680</u>	<u>(316,630)</u>	<u>-</u>	<u>-</u>	<u>1,164,549</u>
Other						
Revaluation reserve	793,865	-	-	12,241,038	-	13,034,903
	<u>793,865</u>	<u>-</u>	<u>-</u>	<u>12,241,038</u>	<u>-</u>	<u>13,034,903</u>
Total unrestricted funds	<u>3,030,750</u>	<u>1,180,248</u>	<u>(1,406,563)</u>	<u>-</u>	<u>12,241,038</u>	<u>15,045,473</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2023 £
Restricted funds						
Missions	18,093	30,963	(30,269)	-	-	18,787
InSpire Building Project	289,258	-	-	-	-	289,258
Jubilee Foundation	14,512	10,150	(3,116)	-	-	21,546
Total restricted funds	<u>321,863</u>	<u>41,113</u>	<u>(33,385)</u>	<u>-</u>	<u>-</u>	<u>329,591</u>
Total funds	<u>3,352,613</u>	<u>1,221,361</u>	<u>(1,439,948)</u>	<u>-</u>	<u>12,241,038</u>	<u>15,375,064</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds					
General					
General funds	718,433	1,075,116	(1,006,684)	(30,479)	756,386
Designated					
Other designated funds	306,581	11,094	(174,784)	131,965	274,856
Building funds	513	-	-	-	513
Operation Rudolph	1,027	-	(705)	20	342
Projects Reserve	16,952	-	-	(16,952)	-
KMC Fund	874,077	-	(171,576)	18,794	721,295
Capital repairs	549,172	-	(60,679)	(6,849)	481,644
Music Production	1,849	-	-	-	1,849
	<u>1,750,171</u>	<u>11,094</u>	<u>(407,744)</u>	<u>126,978</u>	<u>1,480,499</u>
Other					
Revaluation reserve	<u>799,230</u>	<u>-</u>	<u>-</u>	<u>(5,365)</u>	<u>793,865</u>
	<u>799,230</u>	<u>-</u>	<u>-</u>	<u>(5,365)</u>	<u>793,865</u>
Total unrestricted funds	<u>3,267,834</u>	<u>1,086,210</u>	<u>(1,414,428)</u>	<u>91,134</u>	<u>3,030,750</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Restricted funds					
Missions	71,596	37,938	(64,544)	(26,897)	18,093
InSpire Building Project	349,912	-	-	(60,654)	289,258
Jubilee Foundation	8,014	150	(2,099)	8,447	14,512
Other restricted funds	12,859	-	(829)	(12,030)	-
Total restricted funds	<u>442,381</u>	<u>38,088</u>	<u>(67,472)</u>	<u>(91,134)</u>	<u>321,863</u>
Total funds	<u>3,710,215</u>	<u>1,124,298</u>	<u>(1,481,900)</u>	<u>-</u>	<u>3,352,613</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Charity

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2023 £
Unrestricted funds						
General						
General funds	1,211,906	1,114,378	(1,398,509)	(12,944,903)	12,944,903	927,775
Designated						
Other designated funds	274,856	680	(128,112)	-	-	147,424
Building funds	513	-	-	-	-	513
Operation Rudolph	342	-	-	-	-	342
KMC fund	721,295	-	(176,119)	-	-	545,176
Capital repairs	481,644	-	(12,273)	-	-	469,371
Music Production	1,849	-	(126)	-	-	1,723
	<u>1,480,499</u>	<u>680</u>	<u>(316,630)</u>	<u>-</u>	<u>-</u>	<u>1,164,549</u>
Other						
Revaluation reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,944,903</u>	<u>-</u>	<u>12,944,903</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,944,903</u>	<u>-</u>	<u>12,944,903</u>
Total unrestricted funds	<u>2,692,405</u>	<u>1,115,058</u>	<u>(1,715,139)</u>	<u>-</u>	<u>12,944,903</u>	<u>15,037,227</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2023 £
Restricted funds						
Missions	18,093	30,963	(30,269)	-	-	18,787
InSpire Building Project	289,258	-	-	-	-	289,258
Jubilee Foundation	14,512	10,150	(3,116)	-	-	21,546
Total restricted funds	<u>321,863</u>	<u>41,113</u>	<u>(33,385)</u>	<u>-</u>	<u>-</u>	<u>329,591</u>
Total funds	<u>3,014,268</u>	<u>1,156,171</u>	<u>(1,748,524)</u>	<u>-</u>	<u>12,944,903</u>	<u>15,366,818</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds					
General					
General funds	1,141,315	1,103,866	(997,431)	(35,844)	1,211,906
Designated					
Other designated funds	306,581	11,094	(174,784)	131,965	274,856
Building funds	513	-	-	-	513
Operation Rudolph	1,027	-	(705)	20	342
Projects Reserve	16,952	-	-	(16,952)	-
KMC fund	874,077	-	(171,576)	18,794	721,295
Capital repairs	549,172	-	(60,679)	(6,849)	481,644
Music Production	1,849	-	-	-	1,849
	<u>1,750,171</u>	<u>11,094</u>	<u>(407,744)</u>	<u>126,978</u>	<u>1,480,499</u>
Total unrestricted funds	<u>2,891,486</u>	<u>1,114,960</u>	<u>(1,405,175)</u>	<u>91,134</u>	<u>2,692,405</u>
Restricted funds					
Missions	71,596	37,938	(64,544)	(26,897)	18,093
InSpire Building Project	349,912	-	-	(60,654)	289,258
Jubilee Foundation	8,014	150	(2,099)	8,447	14,512
Other restricted funds	12,859	-	(829)	(12,030)	-
Total restricted funds	<u>442,381</u>	<u>38,088</u>	<u>(67,472)</u>	<u>(91,134)</u>	<u>321,863</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Total funds	<u>3,333,867</u>	<u>1,153,048</u>	<u>(1,472,647)</u>	<u>-</u>	<u>3,014,268</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

Restrictions on funds

Designated funds

Each designated fund has been agreed by the group and all relate to specific projects as designated by the Trustees. A summary of the nature and purpose of the designated funds that have incurred significant activity during the year is set out below:

KMC fund

In the year ended 31 December 2018, the Trustees agreed to set aside five years' worth of KMC rental, in line with their five-year strategic plan. The aim of this was to provide for the required production audio visual requirements and to establish a fund for other initial set up costs. This also included an amount for any capital repairs that were required at Talbot Street. During the year ended 31 December 2020, a fire occurred at Talbot Street which damaged many items within the building. The group has received some insurance proceeds during the year for this.

Employment cost

In the previously mentioned five year strategic plan, the Trustees set aside an amount to cover the funding of two new roles and to rectify any salary shortfalls in order to achieve the group's objectives. This was subsequently transferred to other designated funds in 2020 due to the COVID-19 pandemic affecting the strategic plan.

Capital repairs

The KMC production equipment has an estimated repair schedule and also has a lifespan of between 7-10 years and therefore it was agreed in five-year strategic plan that an amount should be provided for to maintenance of the equipment and to replenish the production equipment at the end of its life.

Restricted funds

Each restricted fund has sufficient resources to enable the fund to be applied in accordance with the restrictions imposed. A summary of the nature and purpose of the restricted funds that have incurred significant activity during the year is set out below:

Missions

This consists of amounts received to provide grants in order to support projects in different parts of the world. The main beneficiary of the grants this year are the Kings Village in Ghana.

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

21 Analysis of net assets between funds

Group

	Unrestricted funds		Restricted funds	Other funds	Total funds at 31 December 2023
	General	Designated			
	£	£	£	£	£
Tangible fixed assets	546,457	385,848	1,252	-	933,557
Fixed asset investments	213,381	-	-	23,303,619	23,517,000
Current assets	267,954	778,701	328,339	-	1,374,994
Current liabilities	(66,129)	-	-	(4,090,909)	(4,157,038)
Creditors over 1 year	-	-	-	(6,177,807)	(6,177,807)
Provisions	(115,642)	-	-	-	(115,642)
Total net assets	<u>846,021</u>	<u>1,164,549</u>	<u>329,591</u>	<u>13,034,903</u>	<u>15,375,064</u>

	Unrestricted funds		Restricted funds		Total funds at 31 December 2022
	General	Designated	Other		
	£	£	£	£	£
Tangible fixed assets	220,916	400,478	-	353,136	974,530
Fixed asset investments	213,381	-	886,619	-	1,100,000
Current assets	464,811	1,080,021	-	31,041	1,575,873
Current liabilities	(12,595)	-	-	(62,312)	(74,907)
Provisions	(130,129)	-	(92,754)	-	(222,883)
Total net assets	<u>756,384</u>	<u>1,480,499</u>	<u>793,865</u>	<u>321,865</u>	<u>3,352,613</u>

Charity

	Unrestricted funds		Restricted funds	Total funds at 31 December 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	220,916	400,478	353,136	974,530
Fixed asset investments	310,001	-	-	310,001
Current assets	814,451	1,080,021	31,041	1,925,513
Current liabilities	(3,335)	-	(62,312)	(65,647)
Provisions	(130,129)	-	-	(130,129)
Total net assets	<u>1,211,904</u>	<u>1,480,499</u>	<u>321,865</u>	<u>3,014,268</u>

Heart Church

Notes to the Financial Statements for the Year Ended 31 December 2023

22 Financial instruments

Group

Categorisation of financial instruments

	2023 £	2022 £
Financial assets that are debt instruments measured at amortised cost	1,334,188	1,539,609
Financial liabilities measured at amortised cost	1,320,852	63,106

Charity

Categorisation of financial instruments

	2023 £	2022 £
Financial assets that are debt instruments measured at amortised cost	1,324,856	1,889,313
Financial liabilities measured at amortised cost	10,319,768	53,846

23 Related party transactions

Group

Charity

During the year the charity made the following related party transactions:

73rd Trust

(Heart Church and 73rd Trust share a trustee, Nigel Gale, who declares a potential conflict of interest at Heart Church board meeting.)

73rd Trust engages the unchurched through relevant communication of the Gospel. Heart Church support 73rd Trust through financial support of £3,990 (2022 - £nil). At the balance sheet date the amount due to/from 73rd Trust was £Nil (2022 - £Nil).