

HILLSONG CHURCH LONDON

England & Wales · Charity number 1120355

Details

Status	Registered
Legal form	Charitable company
Company number	05487537
Registered	2007-07-30
Register	View on the Charity Commission register

Contact

Address	Hillsong Church London 35 Little Russell Street London WC1A 2HH
Phone	02073849200
Email	admin@hillsong.co.uk
Website	www.hillsong.com/uk

Activities

Objects: 3.1) THE ADVANCEMENT OF THE CHRISTIAN RELIGION BY THE PROCLAMATION AND FURTHERANCE OF THE GOSPEL OF GOD CONCERNING HIS SON JESUS CHRIST THE LORD AND PREACHING AND TEACHING OF THE WORD OF GOD BY THE CHURCH IN ACCORDANCE WITH THE STATEMENT OF FAITH APPROVED BY THE ELDERS OF HILLSONG CHURCH, SYDNEY, AUSTRALIA FROM TIME TO TIME ("THE STATEMENT"); AND3.2) THE RELIEF OF ANY PERSON WHO IN IN CHARITABLE NEED;3.3) THE PROMOTION OF EDUCATION FOR THE PUBLIC BENEFIT; AND3.4) SUCH OTHER CHARITABLE PURPOSES AS ARE RECOGNISED AS SUCH UNDER THE LAWS OF ENGLAND AND WALES CONSISTENT WITH THE OBJECT SET OUT IN CLAUSE 3.1 ABOVE.

Activities: THE PRINCIPAL OBJECTIVES OF HILLSONG CHURCH LONDON, AS SET IN OUR CONSTITUTION, IS THE ADVANCEMENT OF THE CHRISTIAN RELIGION BY THE PRONOUNCEMENT OF THE GOSPEL OF JESUS CHRIST.

Classification

- **How:** Provides Services
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE GREATER LONDON.
- Italy
- Scotland
- Birmingham City
- Kent
- Liverpool City
- Newcastle Upon Tyne City
- Oxfordshire
- Surrey
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£10,612,179	£10,877,724	£8,401,880	72
2023-12-31	£10,082,491	£10,719,719	£8,644,609	75
2022-12-31	£10,841,423	£11,984,051	£9,281,837	83
2021-12-31	£12,326,080	£12,475,103	£10,424,465	100
2020-12-31	£14,703,388	£12,541,768	£10,573,488	113

Trustees

Name	Role	Appointed
Russ Dacre	Chair	2015-06-01
Angel Abhayaratna		2025-12-09
CHIAMAKA OKEKE		2020-09-24
David Stephen Whitewood		2015-06-01
Graham Williams		2025-12-09
UDONNA OBI		2020-09-24

Accounts

Registered number: 05487537
Charity numbers: 1120355 (England & Wales) & SCO51872 (Scotland)

Hillsong Church London
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 December 2024

Hillsong Church London
(A Company Limited by Guarantee)

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Hillsong Church London
(A Company Limited by Guarantee)

Reference and Administrative Details of the Church, its Trustees and Advisers
For the Year Ended 31 December 2024

Trustees	R Dacre, Chair D Bagheri (resigned 13 May 2025) U Obi C Okeke D Whitewood
Company registered number	05487537
Charity registered numbers	1120355 (England & Wales) and SCO51872 (Scotland)
Registered office	35 Little Russell Street London WC1A 2HH
Company secretary	A Spies (appointed 27 March 2024)
Management team	T Douglass (lead Pastor and CEO) N Douglass (lead Pastor) A Spies (Chief Financial Officer)
Independent auditors	UHY Hacker Young Chartered Accountants Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
Bankers	Barclays Bank PLC 126 Station Road Edgware Middlesex HA8 7RY
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE

Hillsong Church London
(A company limited by guarantee)

Trustees' report (including Strategic report)
For the year ended 31 December 2024

The Trustees, who are also Directors of the company for Companies Act purposes, present their report for the year ended 31 December 2024.

OBJECTIVES AND ACTIVITIES

Principal aims and objectives

The principal aim and objective of Hillsong Church London ("the Church") is that of advancement of the Christian faith for the benefit of the public in the UK, Europe and elsewhere by the pronouncement of the Gospel of Jesus Christ in accordance with the Statement of Faith referred to in the company constitution.

Strategy

Our strategy in achieving these objectives has remained constant since the Church was first established:

1. To take the truth of the Gospel and teachings of the Christian faith and communicate them to a diverse audience.
2. To build a large Christ centred Bible-based church headquartered in London, able to serve the Greater London area, the UK and Europe.
3. To engage all members of the Church to participate in an area of Church ministry, all contributing to a healthy church, changing lives through Christ.

Principal Activities

During 2024 year the principal activities of the Church remained constant, in line with charitable objectives. These activities continued to be:

1. Regular Sunday church services and children's activities around the UK based in:
 - a. Central London at the Dominion Theatre.
 - b. South East London, at Odeon Cinemas, and Borough Halls, Greenwich.
 - c. Guildford, Surrey at G-Live.
 - d. Tonbridge, Kent at The River Centre.
 - e. Oxford, Oxfordshire at Vue Cinemas.
 - f. Newcastle-Upon-Tyne at Westgate Hall.
 - g. North London at the Golders Green Hippodrome.
 - h. Edinburgh, Scotland at Napier University.
 - i. Liverpool at leased premises in Kempston Street, Liverpool.
 - j. Birmingham at The Old Library.
 - k. Croydon, London at Fairfield Halls.
 - l. Reading, Berkshire at Reading Rep Theatre.
 - m. Southwest London, at hired school premises.
2. Weekly church services broadcast on various platforms.
3. Mid-week home-based Small Groups across the UK.
4. Regular Youth and Young Adults services and activities at various locations including in London, Guildford, Tonbridge, Oxford, Newcastle and Liverpool when possible.
5. Youth Ministry, particularly to students in High Schools in the Greater London area.
6. An annual youth and young adults summer camp with church ministry and activities, attended by youth and young adults across the UK.
7. Night School and leadership and ministry training activities.
8. Women's Ministry including seminars and events.
9. Distribution of relief to people in need of emergency assistance for matters such as accommodation, food vouchers, counselling, travel, rental arrears and home repairs.
10. Operation of two Community Grocery locations, in partnership with The Message Trust, providing food for local communities, as well as community classes, groups and care.
11. Through partner organisations, providing support and awareness for programmes for the relief of poverty, support of refugees and abolition of social injustice. The Church's partner organisations include The A21 Campaign, Compassion UK, World Vision and Vision Rescue.

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For the year ended 31 December 2024

12. Provision of medical support to Asylum Seekers arriving in UK.
13. Support for local ministry to the homeless, including provision and maintenance of 'Green Light' medical vans to provide assistance to the homeless in London, Kent and surrounding areas.
14. Support for the needs of refugees in the UK and Europe, including collection of clothing items, assistance with practical settlement help, and provision of English programmes. This includes the support of eight families through the UK Government Community Sponsorship Scheme.
15. Football programmes and workshops for Refugee youth, including weekly football sessions.
16. A performing arts academy held on Saturdays including dance, vocals acting and music classes for ages 4-21.
17. Special offerings and activities to support Hillsong's church in Ukraine, and refugees within the UK as a result of the Ukraine conflict.
18. A Heart for the House annual offering, part of which was used to support charitable programmes including social justice causes.
19. A Christmas event held at the Dominion Theatre, London, with a large Christmas production open to all areas of the community.
20. Support to other Churches and Ministries in the UK and Europe.

In 2024, the Church was able to increase its impact by re-launching a major annual event, Hillsong Conference. This three day gathering was attended by 4,690 individuals, and attendees represented over 400 different churches and 47 countries. The programme includes kids and youth programs and was held at the Excel, London in October 2024.

In 2023 the decision was made to incorporate a trading subsidiary, Community Venues UK Limited, in order to allow the maximum use of the Church's property assets by hiring premises to third parties for events and functions. This activity has increased over 2024 and will continue to as we ensure the Church's assets are stewarded wisely and used to maximum impact.

Approximately 1,000 volunteers continued to be involved in activities conducted or supported by Hillsong Church including:

- Running Sunday services in all locations across the UK.
- Leading Small Groups in Greater London, Surrey, Kent, Berkshire, Oxford, Newcastle, Edinburgh, Liverpool and Birmingham.
- Running women's ministries in London Greater London, Surrey, Kent, Oxford and Newcastle.
- Leading youth ministries in Greater London, Surrey, Kent, Oxford, Liverpool and Newcastle.
- Helping the homeless in London, Kent and other areas by travelling with the Green Light van seven days per week.
- Participating in activities supporting refugees including running community based workshops and activities and distribution of clothing and other items.
- Assisting in the outworking of the Community Grocery program including leading courses, distributing food support and managing collection of items.
- The operation and running of Hillsong Conference.

In the consideration of all activities undertaken the trustees have had regard to the public benefit guidance published by The Charity Commission.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Day to day management is vested in the management team led by the lead pastor.

Hillsong Church London is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 35 Little Russell Street, London, England, WC1A 2HH.

The Church is registered with the Office of the Scottish Charity Regulator (SC051872).

On 4 July 2023 the parent Charity incorporated a new trading subsidiary, Community Venues UK Limited (CVUK), registered in England and Wales, registration number 14979410. As a result of the incorporation of the trading subsidiary, the Church is this year presenting consolidated Group financial statements for the first time. Accordingly, the comparative figures presented in the Statement of Financial Activities, Balance Sheet and Cash Flow Statement, reflect the results of the entire group and do not agree to the Church's figures presented in the filed 2023 financial statements.

The Trustees have delegated all aspects of decision making to the management team.

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For the year ended 31 December 2024

The Charity is affiliated with other Hillsong churches across the world including in Australia, South Africa, the U.S.A., South America, Europe and has previously established churches in the Netherlands, Spain and Italy.

The Trustees have had due regard to the public benefit guidance published by the Charity Commission. The current Trustee body is diverse and dynamic and has the knowledge and skills required to ensure due diligence for the organisation. The board constitutes of five trustees. Information on each of the Trustees is included below:

- A Chartered Accountant and former senior financial manager with a major international insurance broker based in the UK, having over 30 years financial experience in a number of organisations both in the UK and overseas.
- A Managing Director of an automotive sales group, and the former chairman of a charity focussed on youth activities, with extensive experience in the development, operation and management of youth based charities.
- a Senior Associate Solicitor at one of the largest law Firms in the South East with extensive experience in volunteer leadership.
- An executive of a creative industries venture, with experience in managing and developing both private and social enterprises, including developing and overseeing community development programs.
- An investment banker at a large international investment bank, with experience in church roles including youth leadership.

A process of recruiting additional Trustees is being undertaken in line with a new framework of independence, diversity and appropriate skill.

For the appointment of new Trustees, existing Trustees and senior staff are able to make recommendations to the Chairman and the Management. The Trustees, after completion of due diligence, in turn make recommendations to the members, for appointment by resolution. New Trustees are selected giving regard to independence and maintaining a diverse group of skills and experience.

The Trustees are provided with a Trustee Induction Pack with information on the organisation, the Trustee's role in relation to governance and their responsibilities under Charity Law.

The remuneration of key management personnel is reviewed by a Remuneration Committee each year. Consideration is given to equivalent salaries of similar positions within the marketplace, using published salary information.

Related parties

Hillsong NL, Hillsong Espana and Hillsong Church Italia are considered related parties as the Board of Trustees for these entities consist of Trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £48,583 (2023: £8,408) with Hillsong NL. This consists of donations received from Hillsong NL of £48,583 (2023: £8,408). There were costs of £Nil (2023: £1,714) paid on behalf of Hillsong Espana.

No Trustee received remuneration in relation to their duties as Trustees or incurred expenses (2023: £Nil). In the prior year a now former Trustee received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources.

ACHIEVEMENTS AND PERFORMANCE

Achievement and performance has historically been primarily measured against targets for financial growth, by the increased number of attendees at Sunday services and other gatherings, and by the number of members volunteering.

These measurements were impacted significantly by external and internal factors over the past few years, however in 2023 significant growth was achieved in numbers of attendees at Sunday services, as well as growth in other areas of church activities and initiatives. The Church's objectives remain the same to continue to build on the foundation of previous years, and build healthy and active church communities.

Financial measurements are discussed below.

To our knowledge, there are no internal or external factors that will significantly prevent us from achieving our future objectives.

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For the year ended 31 December 2024

Financial review

The Group's Balance sheet funds stood at £8,401,880 (2023: restated £8,667,425) comprising Restricted Funds of £2,753,377 (2023: £2,774,334) and Unrestricted Funds of £5,648,502 (2023: £5,893,091). The great majority of these funds relate to the Church itself.

The Consolidated Statement of Financial Activities shows that the Group made a net deficit of £265,545 (2023: restated deficit of £633,411). The Church's own individual deficit for the year was £207,246 (2023: £634,228). The Church's subsidiary company, Community Venues UK Limited, made a loss of £57,482, but this was anticipated in the first main period of operation, and the Church will continue to support its subsidiary until it becomes profitable.

The Church's 2024 results were a continuation of Hillsong's financial recovery strategy, which has seen a significant reduction in operating deficits from prior years, through a combination of income growth and cost reduction. The 2024 result sees the return of Hillsong Conference Europe, which has impacted some cost totals, however the net result remains an improvement in the prior year.

The Group's main source of income continues to be donations from church members. Governance costs represent 2% of total resources expended.

Reserves policy

The Group had reserves of £8,401,880 at 31 December 2024 (2023: £8,667,425). Of the total reserves an amount of £2,753,378 (2023: £2,774,334) is considered restricted funds. Restricted funds relate to the Hillsong Building Fund, Spring the Trap (Green Light) funds and other social justice funds which are received and passed on to partner organisations.

The restricted reserves comprises £116,869 (2023: £332,914) in cash, with the remainder represented by fixed assets.

The total unrestricted reserves of £5,648,502 (2023: £5,893,091) include the reserves of the subsidiary company. Unrestricted reserves consist of £655,692 (2023: £712,799) in cash, with the remainder represented by fixed assets of £11,032,672 (2023: £11,402,969), other current assets of £809,993 (2023: £1,062,835) less creditors of £6,849,855 (2023: £7,285,512).

The current reserves policy was determined in 2021 and stipulates a goal of holding unrestricted cash equal to three months of staffing costs and debt repayments. This has been reviewed regularly since and currently it is considered that in the midst of the financial recovery strategy, and when building costs were needed, it would be acceptable to hold reserves below this amount at this time.

The planning for future years includes plans to reduce costs and grow income to allow for increased unrestricted surplus funds to contribute to unrestricted reserves.

Going concern

As discussed elsewhere in this report, the ongoing impact of various internal and external factors in the past five years have all had an impact on the Church. The main continuing risk to the Church, and consequently the Group, from these items has been the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK including increased inflation levels, increased energy costs, increased interest rates and loss of income within the general population.

In response to this risk, the Church has been consistently undertaking the following steps:

- Reviewing and reducing all expenditure to essential items only. Major cost reductions have occurred over 2022-2023 and continued in 2024.
- Significant negotiations with key suppliers to reduce costs and secure tenure in rented buildings.
- Continuing to offer opportunities to donate to unrestricted and restricted funds through online services, including the promotion of electronic methods for donations and regularly communicating to church congregation on activities.
- Detailed planning and financial forecasting for 2025 and beyond, including understand the capacity of reserves, cash position and options to reduce future costs.

The financial investment required for operations in between 2022 and 2024 meant cash reserves were utilised in part in the year. A reorganisation of assets meant cash reserves were also replenished in part in 2023. At the end of the year reserves remain adequate to settle liabilities as they fall due. The trustees have considered the period of at least 12 months from signing these accounts.

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For the year ended 31 December 2024

Given the Church’s current ability to reduce costs and respond to income levels, its continued financial strategy for 2025 and its retention of cash and property reserves, the Trustees’ are of the opinion that the charity can continue as a going concern.

The Trustees, working closely with the members and management team, have in place the infrastructure to continue our mission to advance the Christian faith through growing the Church and maintaining our mission to London, the UK and other nations.

Risk management

The Church is a fit for purpose organisational structure, Company Limited by Guarantee.

Both the risks and systems are regularly reviewed with a risk register maintained by the trustees. The risk register presents the principal risks facing the Church in the following categories:

- Facilities
- Operational
- Human Resources
- Security
- Financial
- Fraud
- IT, Data and Cyber
- Legal and Regulatory
- Public Relations

These risks have been mitigated, with various action taken, including the following:

- Appointment of diverse skilled individuals to the Board of Trustees
- Appointment of qualified and appropriately experienced employees, in particular to the areas of Financial Management, HR, OH&S and Asset Management
- Separation of authority to approve significant financial decisions
- Regular reporting of areas of risk to the trustees. This reporting includes the operation of a risk log, risk rating matrix and regular reporting of metrics for risk management
- Engagement of external consultants to advise on significant issues
- Regular review of policies and procedures.

A summary of those risks considered to have a very high maximum potential for impact as per the risk log is including below:

Potential Risk	Risk mitigation controls
Loss of, or significant disruption of key venues, leading to increased costs, reduced congregation, strain on human resources and reduced ability to meet Church objectives	• Identification of alternative venues for all key sites • Maintenance of strong relationships with landlords • The ability to stream online services • Develop and establish a strong groups culture • Actively seek options to acquire or lease permanent venues
A lack of control or poorly designed procedures leads to a safeguarding issue which has a significant impact on the individuals concerned as well as creating legal, financial and reputational risk for Church	• Appropriate oversight and staff roles for safeguarding matters. • DBS checks for all staff and volunteers who interact with children and vulnerable adults • Regular safeguarding training for all relevant individuals • Provision of adequate staff and volunteers to meet required supervision ratios in Kids & Youth • Development and communication of safeguarding policies • Development of fit-for-purpose reporting and record keeping systems

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For the year ended 31 December 2024

Potential Risk	Risk mitigation controls
A staff member or volunteer is mistreated and has a negative impact on the individual, as well as resulting in legal, financial and reputational risk	• Provision and maintenance of appropriate role descriptions • Structured process for performance evaluation and promotion in place • Well-being framework beginning with a process and policy for access to health intervention services
A lack of physical security leads to loss of assets or injury or death of staff, volunteers and congregation	• Use of venue-provided security personnel and procedures • Liaison with Police in relation to key security concerns and/or major events • Event planning policies and procedures cover physical security requirements • Provision of staff or volunteers with appropriate training, as required
Damage to confidence of stakeholders caused by issues outside the UK, by UK staff or by UK volunteers or congregation results in loss of access to venues, financial stress and/or regulatory challenge	• Policy guidelines on employee conduct documented, communicated and followed • Staff and team leaders ensure appropriate selection of volunteers and volunteer training and supervision on an ongoing basis via team nights and other events • Policy in place and followed regarding staff recruitment process and ongoing performance evaluation

Additional risks are managed within the charity's risk framework.

PLANS FOR FUTURE YEARS

Our mission and objectives for the future remain the same as outlined earlier, that is, to continue to communicate the Gospel of Jesus Christ.

Our objectives for the future are to build on the growth experienced and see a substantial increase in the number of people establishing a personal relationship with Jesus Christ in line with our statement of faith. This objective will be fulfilled by creating additional capacity for Sunday services in existing and new locations. We also seek to see increasing numbers of people actively involved in Church life by attending Small Groups or being involved in our volunteer teams and other activities. Hillsong Conference will be held again in October 2025.

We will continue to provide opportunities for designated giving towards specific projects, which we will partner within the UK and overseas.

We aim to further develop current initiatives, to increase focus on discipleship programs, helping people in our Church become mature Christians, through a clear understanding of the Bible and how it applies to their life.

The activity to support those in need of emergency assistance, homeless in the UK, Refugees and Asylum Seekers and other community groups identified, will continue to grow in future years. Other programmes such as Love Your Neighbour, initially launched during the pandemic, will be refocussed for maximum impact.

TRUSTEES' STATEMENT OF RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs

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Trustees' report (including Strategic report)
For the year ended 31 December 2024

of the charitable company and group and of the income, expenditure and financial activities of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

UHY Hacker Young has expressed its willingness to continue in office.

Statement of disclosure to auditors

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware, and They have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

The Trustees' Report, which incorporates the Strategic Report, has been approved by the Board of Trustees and signed on its behalf by:

DocuSigned by:

Russell Dacre

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R Dacre
Chair of Trustees

Date: 30 July 2025

Hillsong Church London
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Independent Auditors' Report to the Members of Hillsong Church London

Opinion

We have audited the financial statements of Hillsong Church London (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Church Balance Sheet, the Consolidated Statement of Cash Flows, the Church Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 of the parent charitable company's affairs as at 31 December 2024 and of the Group's 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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 or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 matters 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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Independent Auditors' Report to the Members of Hillsong Church London (continued)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, 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.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

How the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience in the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Companies Act 2006 and the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non compliance throughout the audit.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

Hillsong Church London
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Hillsong Church London (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Other matters

The financial statements for the year ended 31 December 2023 were audited by RSM UK Audit LLP, who expressed an unmodified opinion on those financial statements in a report dated 1 August 2024.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of

UHY Hacker Young
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent.
ME10 4BJ

Date: 01 August 2025

Hillsong Church London
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 December 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>As restated Total funds 2023 £</i>
	Note				
Income from:					
Donations and legacies	4	8,805,660	452,555	9,258,215	9,151,048
Charitable activities	6	1,017,983	-	1,017,983	885,248
Other trading activities	7	5,710	-	5,710	4,051
Investments	8	16,712	-	16,712	18,315
Other income	9	313,559	-	313,559	27,880
Total income		10,159,624	452,555	10,612,179	10,086,542
Expenditure on:					
Raising funds	10	14,757	-	14,757	3,236
Charitable activities	11	10,389,456	473,511	10,862,967	10,716,717
Total expenditure		10,404,213	473,511	10,877,724	10,719,953
Net movement in funds		(244,589)	(20,956)	(265,545)	(633,411)
Reconciliation of funds:					
Total funds brought forward		5,893,091	2,774,334	8,667,425	9,300,836
Net movement in funds		(244,589)	(20,956)	(265,545)	(633,411)
Total funds carried forward	22	5,648,502	2,753,378	8,401,880	8,667,425

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

The notes on pages 17 to 39 form part of these financial statements.

Hillsong Church London
(A Company Limited by Guarantee)
Registered number: 05487537

Consolidated Balance Sheet
As at 31 December 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	16	13,519,181	13,694,389
Investment property	17	150,000	150,000
Current assets			
Stocks		33,797	42,246
Debtors	19	776,196	1,020,589
Cash at bank and in hand		772,561	1,045,713
		<u>1,582,554</u>	<u>2,108,548</u>
Current liabilities			
Creditors: amounts falling due within one year	20	(1,783,820)	(1,741,604)
Net current (liabilities) / assets		<u>(201,266)</u>	<u>366,944</u>
Total assets less current liabilities		<u>13,467,915</u>	<u>14,211,333</u>
Creditors: amounts falling due after more than one year	21	(5,066,035)	(5,543,908)
Total net assets		<u><u>8,401,880</u></u>	<u><u>8,667,425</u></u>
Charity funds			
Restricted funds	22	2,753,378	2,774,334
Unrestricted funds	22	5,648,502	5,893,091
Total funds		<u><u>8,401,880</u></u>	<u><u>8,667,425</u></u>

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

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

DocuSigned by:

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R Dacre
 Chair of Trustees

Date: 30 July 2025

The notes on pages 17 to 39 form part of these financial statements.

Hillsong Church London
(A Company Limited by Guarantee)
Registered number: 05487537

Church Balance Sheet
As at 31 December 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	16	13,519,181	13,694,389
Investments	18	1	1
Investment property	17	150,000	150,000
Current assets			
Stocks		33,797	42,246
Debtors	19	837,363	1,021,373
Cash at bank and in hand		765,927	1,044,113
		1,637,087	2,107,732
Current liabilities			
Creditors: amounts falling due within one year	20	(1,780,870)	(1,741,604)
Net current liabilities / assets			
		(143,783)	366,128
Total assets less current liabilities			
		13,525,399	14,210,518
Creditors: amounts falling due after more than one year	21	(5,066,035)	(5,543,908)
Total net assets			
		8,459,364	8,666,610
Charity funds			
Restricted funds	22	2,753,377	2,774,334
Unrestricted funds	22	5,705,987	5,892,276
Total funds			
		8,459,364	8,666,610

The Church's net movement in funds for the year was £(207,246) (2023 - £(634,226)).

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

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

DocuSigned by:

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R Dacre
Chair of Trustees

Date: 30 July 2025

The notes on pages 17 to 39 form part of these financial statements.

Hillsong Church London
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2024

	2024	<i>As restated</i>
	£	<i>2023</i>
		<i>£</i>
Cash flows from operating activities		
Net cash used in operating activities	1,030,318	838,143
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	341,812	1,885,065
Purchase of tangible fixed assets	(735,384)	(339,696)
Interest income	16,712	18,315
Interest paid	(399,545)	(424,631)
Net cash (used in)/provided by investing activities	(776,405)	1,139,053
Cash flows from financing activities		
Repayments of borrowing	(492,010)	(1,626,659)
Repayments of finance leases	(35,055)	(60,382)
Net cash used in financing activities	(527,065)	(1,687,041)
Change in cash and cash equivalents in the year	(273,152)	290,155
Cash and cash equivalents at the beginning of the year	1,045,713	755,558
Cash and cash equivalents at the end of the year	25 772,561	1,045,713

The notes on pages 17 to 39 form part of these financial statements

Hillsong Church London
(A Company Limited by Guarantee)

Church Statement of Cash Flows
For the Year Ended 31 December 2024

	2024	<i>As restated</i>
	£	2023
		£
Cash flows from operating activities		
Net cash used in operating activities	1,025,284	836,542
Cash flows from investing activities		
Interest income	16,712	18,315
Interest expenditure	(399,545)	(424,631)
Purchase of tangible fixed assets	(735,384)	(339,696)
Proceeds on disposal of tangible assets	341,812	1,885,066
Net cash (used in)/provided by investing activities	(776,405)	1,139,054
Cash flows from financing activities		
Repayments of borrowing	(492,010)	(1,626,659)
Payment of obligations under finance leases	(35,055)	(60,382)
Net cash used in financing activities	(527,065)	(1,687,041)
Change in cash and cash equivalents in the year	(278,186)	288,555
Cash and cash equivalents at the beginning of the year	1,044,113	755,558
Cash and cash equivalents at the end of the year	25 765,927	1,044,113

The notes on pages 17 to 39 form part of these financial statements

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

1. General information

Hillsong Church London is a company limited by guarantee (Companies House No. 05487537) and a registered charity (Registered Charity No. 1120355 (England and Wales) and SCO51872 (Scotland)). It is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 35 Little Russell Street, London, WC1A 2HH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hillsong Church London 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.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Church and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Church has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Going concern

The Trustees have assessed whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast doubt on the ability of the Church to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the financial statements.

In considering the going concern status of the Church the Trustees have considered the following:

General donation income remains significantly below pre-pandemic levels, and the general economic conditions in the UK remain challenging with a high cost of living reducing disposal income. The main continuing risk to the Church continues to be the financial risk arising from lower than expected donation income. With interest rates now beginning to fall, and energy costs having stabilised, the Trustees are hopeful that the outlook is improving.

While there have been further operating losses incurred in the current year the overall result includes significant non-cash depreciation charges, and consequently operating activities contributed a strong cash inflow. A reorganisation of assets, and specific fundraising for property capital projects, has allowed capital investment into replacement production equipment assets, and continued investment into property assets. Overall cash flow was positive before the capital expenditure.

The cost of servicing borrowing remains significant, but following the reduction in borrowing in 2023 this is now much more manageable.

The Trustees and management team continue to implement changes that will bring increased efficiencies and reduce costs whilst at least maintaining current income levels. Income and expenditure forecasts have been prepared for the year ahead, and show an expected return to a breakeven accounting result, after depreciation. Cash flow forecasts indicate that the cash position is expected to remain consistent.

The Trustees have undertaken a thorough review of these forecasts, the key assumptions made and the associated risks, and having taken the above into account they consider the use of the going concern basis of accounting is appropriate and that there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Church to continue as a going concern.

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

2. Accounting policies (continued)

2.3 Income

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

Donation income

Income is recognised when the Church has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the income can be reliably measured.

Income is received by way of donations, tithes and offerings and is included in full in the statement of financial activities when received. Donations arising under Gift Aid are accounted for on the date of receipt and provisions are made for income tax remaining unclaimed at the year end.

Income from charitable activities

Income from conferences, events, and sales of Christian resources are made in furtherance of the objects of the Church, and are accounted for when income is receivable.

Income received in advance of an event is deferred until the criteria for income recognition are met.

Grant income

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Investment income

Investment income relates to interest on funds held on deposit and is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

Allocation of Support Costs

Total expenditure includes the allocation of support costs to the various expenditure categories set out in the statement of financial activities. These support costs relate to the corporate functions including information technology, property and facilities management, human resources, finance and governance, in addition to the support costs incurred by communications and other centralised departments that are not otherwise directly allocated. Support costs have been allocated to activities based on the apportionment of time spent by employees in each category. This apportionment is calculated for each key employee department.

Governance costs represent costs from external service providers relating to the strategic management of the Church. While the Trustees meet regularly on an informal and formal basis to discuss strategic and governance issues, the Church structure and involvement of the Trustees in its day-to-day activities means that these meetings do not give rise to specific costs.

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

2. Accounting policies (continued)

2.5 Donated goods

Donated goods for on-going use by a group in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the statement of financial activities.

Donated goods held as tangible fixed assets are subject to depreciation and an assessed at the reporting date of whether there is any indication that the asset should be written down to its recoverable amount.

2.6 Taxation

The Church 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 Church 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.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Church assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged at a rate to reduce useful economic lives of tangible fixed assets to £nil in accordance with the following policies:

Freehold buildings	- 2% reducing balance basis (10% - 25% on property improvements
Leasehold improvements	- 10% - 20% straight line basis
Production equipment	- 10% - 33% straight line basis
Motor vehicles	- 33% - 50% straight line basis
Office equipment	- 20% - 33% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Properties owned by the Church used primarily to provide housing for refugees are held to deliver social benefits in line with the charity's objectives. In accordance with FRS 102 Section 16.3A, these properties are not classified as investment property, as they are not held for the primary purpose of rental income or capital appreciation. Instead, these properties are accounted for as tangible fixed assets as allowed under the financial reporting standard.

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

2. Accounting policies (continued)

2.8 Investment property

Investment property comprises property held to earn rental income and/or capital appreciation.

Investment properties are initially measured at cost, including directly attributable transaction costs. They are then measured at fair value at each reporting date, with changes in fair value recognised in the Statement of Financial Activities under Other Gains and Losses.

Investment properties are not depreciated.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Donated items of stock are recognised at fair value.

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

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

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

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

2. Accounting policies (continued)

2.15 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Pensions

The Church contributes to a defined contribution scheme with Scottish Widows in respect of staff. Contributions are charged to the income and expenditure account when payable. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors.

2.17 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Church makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Support Cost Allocation

Support costs are allocated to charitable activities based on staff time spent. This method involves judgement and estimation, particularly where staff work across multiple programs and initiatives. Changes in allocation assumptions could materially affect the reported costs of each activity.

Useful Economic Life of Assets

The Church estimates the useful lives of its tangible fixed assets based on expected usage and historical experience. These estimates are reviewed annually. Changes in usage patterns or maintenance practices could result in revisions to these estimates.

Recoverability of loan from subsidiary in the Church's individual balance sheet

At 31 December 2024 the Church was owed £62,186 by its new subsidiary, Community Venues UK Limited. Although the subsidiary currently has net liabilities and does not have the means to repay the loan, the debtor has been considered fully recoverable on the basis that the strategic plan to grow its trading activities and achieve profitability, alongside the continuing support of the Church, means the subsidiary remains a going concern.

Fair value of investment property

The charity holds investment property which is measured at fair value in accordance with FRS 102 and the Charities SORP. The determination of fair value involves significant judgement and estimation, particularly where no formal external valuation has been obtained.

For the current year, the fair value of the investment property has been estimated using publicly available market data from Zoopla, including recent comparable sales and local market trends. While this provides a reasonable basis for estimation, it does not constitute a formal valuation by a qualified surveyor and may not fully reflect the specific characteristics or condition of the property.

The trustees acknowledge the inherent uncertainty in such estimates and consider this a key area of judgement due to the materiality of the asset and the potential impact on reported results and reserves. The valuation will be reviewed annually and updated as more reliable data becomes available.

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Donations				
Tithes & Offerings	7,397,834	452,555	7,850,389	7,778,394
Gift Aid Claimed	1,407,826	-	1,407,826	1,372,654
	<u>8,805,660</u>	<u>452,555</u>	<u>9,258,215</u>	<u>9,151,048</u>
<i>Analysis of 2023 by fund</i>	<u>8,644,689</u>	<u>506,359</u>	<u>9,151,048</u>	

5. Donated services and facilities

There are in excess of 1,000 (2023: 1,000) unpaid volunteers involved in activities conducted or supported by Hillsong Church. The value to be placed on these resources cannot be reliably quantified and measured and is therefore not recognised in the Statement of Financial Activities.

6. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Resource sales	14,560	14,560	12,346
Conferences and events	642,842	642,842	165,238
Rental income	32,623	32,623	56,850
Music royalties receivable	452	452	501
Other income	327,506	327,506	371,323
Foreign exchange gain on derivative	-	-	278,990
	<u>1,017,983</u>	<u>1,017,983</u>	<u>885,248</u>
<i>Analysis of 2023 by fund</i>	<u>885,248</u>	<u>885,248</u>	

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Subsidiary trading income	5,710	5,710	4,051
	<u>5,710</u>	<u>5,710</u>	
<i>Analysis of 2023 by fund</i>	<u>4,051</u>	<u>4,051</u>	

8. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Interest receivable	16,712	16,712	18,315
	<u>16,712</u>	<u>16,712</u>	
<i>Analysis of 2023 by fund</i>	<u>18,315</u>	<u>18,315</u>	

9. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Profit on disposal of tangible fixed assets	313,559	313,559	27,880
	<u>313,559</u>	<u>313,559</u>	
<i>Analysis of 2023 by fund</i>	<u>27,880</u>	<u>27,880</u>	

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

10. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Subsidiary trading expenses	14,757	14,757	3,236
<i>Analysis of 2023 by fund</i>	3,236	3,236	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	<i>As restated Total 2023 £</i>
Provision of Church Services	10,389,456	473,511	10,862,967	10,716,717
<i>Analysis of 2023 by fund (as restated)</i>	10,716,717	-	10,716,717	

12. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	<i>As restated Total funds 2023 £</i>
Provision of Church Services	7,311,380	3,551,587	10,862,967	10,716,717
<i>Total 2023 (as restated)</i>	6,647,557	4,069,160	10,716,717	

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

12. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	2,133,944	2,156,291
Ministry and mission expenses	1,697,271	1,605,397
Venue costs	2,740,131	2,374,270
Production costs, equipment hire and transport costs	711,943	488,390
Cost of sales	28,091	23,209
	7,311,380	6,647,557

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

12. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	<i>As restated Total funds 2023 £</i>
Staff costs	1,205,451	1,232,788
Depreciation	895,839	978,201
Premises	423,526	554,935
General management and office administration costs	393,787	338,168
Communications and IT costs	312,067	376,449
Audit fees	39,500	44,100
Other accounting fees	84,292	85,383
Legal and professional	63,823	43,593
Interest	399,545	424,631
(Profit)/loss on foreign exchange	(266,243)	(9,088)
	<u>3,551,587</u>	<u>4,069,160</u>

13. Auditors' remuneration

	2024 £	<i>2023 £</i>
Fees payable to the Church's auditor for the audit of the Church's annual accounts	34,000	44,100
Fees payable to the Church's auditor in respect of:		
Audit of subsidiary company	2,500	-
All non-audit services not included above	4,750	12,730

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

14. Staff costs

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Wages and salaries	2,992,526	3,015,329	2,946,274	3,015,329
Social security costs	255,676	269,338	255,676	269,338
Contribution to defined contribution pension schemes	91,193	104,412	91,193	104,412
	<u>3,339,395</u>	<u>3,389,079</u>	<u>3,293,143</u>	<u>3,389,079</u>

During the year the Church made a number of redundancy payments and additionally termination payments to former employees under settlement agreements. The total combined cost of redundancy and other termination payments was £48,884 (2023: £8,770).

Termination payments relate to the conclusion of employment contracts and were made in accordance with legal advice and in the best interests of the Church. The costs have been included within staff costs in the Statement of Financial Activities.

The redundancy payments were made in accordance with the Church's contractual obligations. No amounts were outstanding at the balance sheet date.

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

	Group 2024 No.	<i>Group 2023 No.</i>	Company 2024 No.	<i>Company 2023 No.</i>
Lead Pastors	2	2	2	2
Pastoral, Missions and Ministries	36	31	36	31
Sunday Services	11	13	11	13
Conferences and events	2	2	2	2
Administration and support	21	27	21	27
	<u>72</u>	<u>75</u>	<u>72</u>	<u>75</u>

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

14. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £60,000 - £69,999	2	1
In the band £70,000 - £79,999	1	1
In the band £90,000 - £99,999	2	2
In the band £130,000 - £139,999	1	1

As explained in note 29, the Church employs certain staff who also provide services to the other global Hillsong entities. The disclosures above exclude amounts recharged to other entities.

Employer pension contributions for these employees amounted to £28,475 (2023: £24,530).

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, and comprises the Trustees and the Management Team.

The total employment benefits of the key management personnel, which for this purpose includes employer national insurance and employer pension contributions, excluding amounts recharged to other entities in the global network, were £374,948 (2023: £373,285).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits in relation to their duties as Trustees (2023 - £NIL). During the year, no (2023: one) Trustee received remuneration in respect of other services provided by them. Details of this remuneration can be found in note 29 of these financial statements.

During the year ended 31 December 2024, no Trustee expenses have been incurred in relation to their duties as Trustees (2023 - £NIL).

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

16. Tangible fixed assets

Group and Company

	Freehold property £	Leasehold improvements £	Production Equipment £	Motor vehicles £	Office equipment £	Total £
Cost						
At 1 January 2024 (as previously stated)	13,166,766	916,026	6,277,234	320,891	1,218,824	21,899,741
Prior Year Adjustment	(150,000)	-	-	-	-	(150,000)
At 1 January 2024 (as restated)	13,016,766	916,026	6,277,234	320,891	1,218,824	21,749,741
Additions	320,124	-	330,388	6,481	78,391	735,384
Disposals	-	-	(118,163)	(90,408)	-	(208,571)
At 31 December 2024	13,336,890	916,026	6,489,459	236,964	1,297,215	22,276,554
Depreciation						
At 1 January 2024 (as previously stated)	1,084,268	481,855	5,169,596	311,244	1,030,389	8,077,352
Prior Year Adjustment	(22,000)	-	-	-	-	(22,000)
At 1 January 2024 (as restated)	1,062,268	481,855	5,169,596	311,244	1,030,389	8,055,352
Charge for the year	326,449	71,684	398,800	9,870	89,036	895,839
On disposals	-	-	(103,410)	(90,408)	-	(193,818)
At 31 December 2024	1,388,717	553,539	5,464,986	230,706	1,119,425	8,757,373
Net book value						
At 31 December 2024	11,948,173	362,487	1,024,473	6,258	177,790	13,519,181
At 31 December 2023 (as restated)	11,954,498	434,171	1,107,638	9,647	188,435	13,694,389

Barclays Bank Plc holds a first charge over all tangible fixed assets owned by The Church under mortgage at the year end. Excluded from this charge are property assets that are not held as Barclays mortgage security.

Included in the total net book value of assets is £98,033 (2023: £129,220) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £37,667 (2023: £39,010).

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

17. Investment property

Group and Church

	Freehold investment property £
Valuation	
At 1 January 2024	150,000
At 31 December 2024	150,000

The trustees estimate that the value of the investment property at the year end would not be materially different from the carrying amount shown in the financial statements.

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Historic cost	150,000	150,000	150,000	150,000
Accumulated depreciation and impairments	(25,000)	(25,000)	(22,000)	(22,000)
	125,000	125,000	128,000	128,000

Prior Year Adjustment

During the year, the Church identified that a property held to generate rental income had been incorrectly classified as a tangible fixed asset. The property meets the definition of an investment property under the Charities Statement of Recommended Practice (FRS 102) Section 10. As a result, the comparative figures for the year ended 31 December 2023 have been restated, and the impact of the restatement is as follows:

- Tangible fixed assets reduced by £128,000
- Investment property increased by £150,000
- Depreciation charge reduced by £3,000
- Net income increased by £3,000
- Total funds increased by £22,000

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

18. Fixed asset investments

Church	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2024	1
At 31 December 2024	1
Net book value	
At 31 December 2024	1
At 31 December 2023	1

Principal subsidiaries

The following was a subsidiary undertaking of the Church:

Name	Company number	Registered office or principal place of business	Class of shares	Holding
Community Venues UK Limited	14979410	35 Little Russell Street, London, WC1A 2HH	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Deficit for the year £	Net assets £
Community Venues UK Limited	5,710	61,008	(55,298)	(54,483)

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

19. Debtors

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Due within one year				
Trade debtors	81,138	76,389	80,118	75,938
Amounts owed by group undertakings	-	-	62,186	1,235
Other debtors	297,189	353,012	297,190	353,012
Prepayments	397,869	591,188	397,869	591,188
	<u>776,196</u>	<u>1,020,589</u>	<u>837,363</u>	<u>1,021,373</u>

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

20. Creditors: Amounts falling due within one year

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Bank loans	254,258	271,672	254,258	271,672
Trade creditors	1,062,000	673,444	1,062,000	673,444
Amounts owed to group undertakings	-	-	450	-
Other taxation and social security	189,920	281,429	189,920	281,429
Obligations under finance lease and hire purchase contracts	7,963	39,741	7,963	39,741
Other creditors	51,900	20,488	51,500	20,488
Accruals and deferred income	217,779	454,830	214,779	454,830
	<u>1,783,820</u>	<u>1,741,604</u>	<u>1,780,870</u>	<u>1,741,604</u>
	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Deferred income at 1 January 2024	304,715	512,917	304,715	512,917
Resources deferred during the year	113,310	304,715	113,310	304,715
Amounts released from previous periods	(304,715)	(512,917)	(304,715)	(512,917)
	<u>113,310</u>	<u>304,715</u>	<u>113,310</u>	<u>304,715</u>

As at 31 December 2024 and 31 December 2023, all deferred income relates to income received in advance of conferences and events to be held at a future date.

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

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Bank loans	1,632,739	1,841,092	1,632,739	1,841,092
Other loans	3,430,130	3,696,373	3,430,130	3,696,373
Net obligations under finance lease and hire purchase contracts	3,166	6,443	3,166	6,443
	<u>5,066,035</u>	<u>5,543,908</u>	<u>5,066,035</u>	<u>5,543,908</u>

Finance lease payments represent rentals payable by the company for certain items of equipment and motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2-4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

22. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Balance at 31 December 2024 £
Unrestricted funds				
General Funds	5,892,274	10,149,864	(10,336,971)	5,705,167
Reserves - subsidiary	817	9,760	(67,242)	(56,665)
	<u>5,893,091</u>	<u>10,159,624</u>	<u>(10,404,213)</u>	<u>5,648,502</u>
Restricted funds				
Spring the Trap	67,331	47,324	(97,381)	17,274
Because We Can	122,048	86,584	(197,720)	10,912
Building Fund	2,575,950	241,715	(92,473)	2,725,192
Youth Services	5,343	35,404	(40,747)	-
Love your Neighbour	3,662	41,528	(45,190)	-
	<u>2,774,334</u>	<u>452,555</u>	<u>(473,511)</u>	<u>2,753,378</u>
Total of funds	<u><u>8,667,425</u></u>	<u><u>10,612,179</u></u>	<u><u>(10,877,724)</u></u>	<u><u>8,401,880</u></u>

The major restricted funds comprise Hillsong Foundation Funds, including:

Spring The Trap

As 'Green Light' (formerly City Care) funds are generated in order to provide care, compassion and support to people from all walks of life facing challenges in the local community.

Because We Can

Hillsong Church London collaborates with international social justice organisations as part of a global effort to make poverty history.

Building Fund

The Building Fund was set up using gifts specified to be used to acquire appropriate accommodation for the Church in the future, and to make improvements to church accommodation.

Youth Services

As the 'I Care Revolution' Hillsong delivers a strong message via schools to encourage people to start to take responsibility and care for others.

Love Your Neighbour

The Love Your Neighbour campaign was established to provide Covid-19 related relief, and continues to focus on the provision of food supplies, financial and debt guidance and career advice.

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2023</i> £	<i>Income</i> £	<i>As restated Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 December 2023</i> £
Unrestricted funds					
Unrestricted fund	6,490,522	9,580,181	(10,186,700)	9,088	5,893,091
Restricted funds					
Spring the Trap	79,597	44,860	(57,126)	-	67,331
Because We Can	249,045	156,787	(283,784)	-	122,048
Building Fund	2,472,574	179,197	(75,821)	-	2,575,950
Youth Services	5,343	32,035	(32,036)	-	5,342
Love your Neighbour	3,756	93,480	(93,573)	-	3,663
	2,810,315	506,359	(542,340)	-	2,774,334
Total of funds	9,300,837	10,086,540	(10,729,040)	9,088	8,667,425

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	10,882,672	2,636,509	13,519,181
Investment property	150,000	-	150,000
Current assets	1,465,685	116,869	1,582,554
Creditors due within one year	(1,783,820)	-	(1,783,820)
Creditors due in more than one year	(5,066,035)	-	(5,066,035)
Total	5,648,502	2,753,378	8,401,880

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	11,252,969	2,441,420	13,694,389
Investment property	150,000	-	150,000
Current assets	1,775,634	332,914	2,108,548
Creditors due within one year	(1,741,604)	-	(1,741,604)
Creditors due in more than one year	(5,543,908)	-	(5,543,908)
Total	5,893,091	2,774,334	8,667,425

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

	Group 2024 £	<i>Group As restated 2023 £</i>	Company 2024 £	<i>Company As restated 2023 £</i>
Net expenditure for the period (as per Statement of Financial Activities)	(265,545)	(633,411)	(207,246)	(634,226)
Adjustments for:				
Depreciation charges	895,839	978,202	895,839	978,202
Interest expenditure in investing activities	399,545	424,631	399,545	424,631
Dividends, interests and rents from investments	(16,712)	(18,315)	(16,712)	(18,315)
Profit on the sale of fixed assets	(327,059)	(27,880)	(327,059)	(27,880)
Decrease in stocks	8,449	2	8,449	2
Decrease in debtors	244,390	356,273	184,010	355,487
Increase/ (decrease) in creditors	91,411	(241,359)	88,458	(241,359)
Net cash provided by operating activities	1,030,318	838,143	1,025,284	836,542

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

25. Analysis of cash and cash equivalents

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Cash in hand	760,046	1,033,198	753,412	1,031,598
Petty Cash	12,515	12,515	12,515	12,515
Total cash and cash equivalents	772,561	1,045,713	765,927	1,044,113

26. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	Changes in market value and exchange rate movements £	Other non- cash changes £	At 31 December 2024 £
Cash at bank and in hand	1,045,713	(273,152)	-	-	772,561
Debt due within 1 year	(271,672)	492,010	-	(474,596)	(254,258)
Debt due after 1 year	(5,537,465)	-	266,243	208,353	(5,062,869)
Obligations under finance leases	(46,184)	35,055	-	-	(11,129)
	(4,809,608)	253,913	266,243	(266,243)	(4,555,695)

27. Pension commitments

The Church operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held separately from those of the Church in an independently administered fund.

The pension cost charge represents contributions payable by the charity to the scheme and amounted to £91,193 for the year (2023: £104,412).

At the balance sheet date, contributions amounting to £20,725 (2023: £19,262) were outstanding and are included within creditors.

Hillsong Church London
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 December 2024

28. Operating lease commitments

At 31 December 2024 the Group and the Church had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Not later than 1 year	607,906	548,729	607,906	548,729
Later than 1 year and not later than 5 years	1,784,184	1,701,856	1,784,184	1,701,856
Later than 5 years	465,417	393,750	465,417	393,750
	<u>2,857,507</u>	<u>2,644,335</u>	<u>2,857,507</u>	<u>2,644,335</u>

29. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

30. Related party transactions

The Church employs certain staff who provide services to other entities within Hillsong's Global operations. The proportion of time spent on such services has been recharged to Hillsong International Ltd, Australia, or to Hillsong Global LCC in the USA, on a time-apportioned basis. During the year, £446,872 (2023: £517,091) was recharged in respect of staff costs, £124,881 (2023: £89,341) of travel costs and £619 (2023: £840) of miscellaneous costs.

Hillsong NL, Hillsong Espana and Hillsong Italia are considered related parties as the Board of Trustees for these entities consist of Trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £48,583 (2023: £8,408) with Hillsong NL. This consists of donations received from Hillsong NL of £48,583 (2023: £8,408). There were costs of £Nil (2023: £1,714) paid on behalf of Hillsong Espana.

In the prior year one Trustee received remuneration in respect of legal counsel services provided by them. This remuneration was made under clause 4.3.4 of the charity's governing document. The Trustees' remuneration for these items for the year was £Nil (2023: £27,868), remunerated to the following Trustees:

	2024 £	2023 £
Ray Newton: Salary including NI - Legal Counsel	-	27,868

There were no other outstanding balances with related parties as at 31 December 2024 (2023: £Nil).

HILLSONG CHURCH LONDON

England & Wales - Charity number 1120355

Accounts

COMPANY NUMBER: 05487537 (England and Wales)

CHARITY NUMBER: 1120355 (England and Wales)

CHARITY NUMBER: SC051872 (Scotland)

HILLSONG CHURCH LONDON

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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Reference and Administrative Information

Registered office and advisors

Hillsong Church London ("The Church") is a company limited by guarantee (Company No: 05487537)

Registered Charity Number 1120355

Registered Office Hillsong Church London
35 Little Russell Street
London
WC1A 2HH

Company Secretary R Newton (resigned 27 March 2024)
A Spies (appointed 27 March 2024)

Trustees R Dacre (Chairman)
J Lestz (resigned 31 May 2023)
R Newton (resigned 31 May 2023)
Dr S Wilson (resigned 31 May 2023)
E Simmons (resigned 31 May 2023)
D Whitewood
C Okeke
U Obi
D Bagheri

Management Team T Douglass (Lead Pastor and CEO)
A Spies (Chief Financial Officer)

Bankers Barclays Bank plc
126 Station Road
Edgware
Middlesex
HA8 7RY

Auditors RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitors Bates Wells
10 Queen Street Place
London
EC4R 1BE

Trustees' Report (Including Strategic Report)

The Trustees, who are also Directors of the company for Companies Act purposes, present their report for the year ended 31 December 2023.

Objectives and Activities

Principal aims and objectives

The principal aim and objective of Hillsong Church London ("the Church") is that of advancement of the Christian faith for the benefit of the public in the UK, Europe and elsewhere by the pronouncement of the Gospel of Jesus Christ in accordance with the Statement of Faith referred to in the company constitution.

Strategy

Our strategy in achieving these objectives has remained constant since the Church was first established:

1. To take the truth of the Gospel and teachings of the Christian faith and communicate them to a diverse audience.
2. To build a large Christ centred Bible-based church headquartered in London, able to serve the Greater London area, the UK and Europe.
3. To engage all members of the Church to participate in an area of Church ministry, all contributing to a healthy church, changing lives through Christ.

Principal Activities

During 2023 the principal activities of the Church remained constant, in line with charitable objectives. These activities continued to be:

1. Regular Sunday church services and children's activities around the UK based in:
 - a. Central London at the Dominion Theatre.
 - b. South East London, at Odeon Cinemas.
 - c. Guildford, Surrey at G-Live.
 - d. Tonbridge, Kent at The River Centre.
 - e. Oxford, Oxfordshire at the Odeon & Vue Cinemas.
 - f. Newcastle-Upon-Tyne at Westgate Hall.
 - g. North London at the Golders Green Hippodrome.
 - h. Edinburgh, Scotland at Napier University.
 - i. Liverpool at leased premises in Mann Street, Liverpool.
 - j. Birmingham at The Old Library.
 - k. Croydon, London at Fairfield Halls.
 - l. Reading, Berkshire at Reading Rep Theatre.
2. Weekly church services broadcast on various platforms.
3. Mid-week home-based Small Groups across the UK.
4. Regular Youth and Young Adults services and activities at various locations including in London, Guildford, Tonbridge, Oxford, Newcastle and Liverpool when possible.
5. Youth Ministry, particularly to students in High Schools in the Greater London area.
6. An annual youth and young adults summer camp with church ministry and activities, attended by youth and young adults across the UK.
7. Night School and leadership and ministry training activities.
8. Women's Ministry including seminars and events.
9. Distribution of relief to people in need of emergency assistance for matters such as accommodation, food vouchers, counselling, travel, rental arrears and home repairs.
10. Continued a major community programme, Love Your Neighbour, together with other churches across the UK, providing emergency food assistance, financial education and career and job assistance to those impacted by the pandemic.
11. Operation of a Community Grocery location, in partnership with The Message Trust, providing food for local communities, as well as community classes, groups and care.
12. Through partner organisations, providing support and awareness for programmes for the relief of poverty, support of refugees and abolition of social injustice. The church's partner organisations include The A21 Campaign, Compassion UK, World Vision and Vision Rescue.
13. Provision of medical support to Asylum Seekers arriving in UK.

Trustees' Report (Including Strategic Report) (continued)

14. Support for local ministry to the homeless, including provision and maintenance of 'Green Light' medical vans to provide assistance to the homeless in London, Kent and surrounding areas.
15. Support for the needs of refugees in the UK and Europe, including collection of clothing items, assistance with practical settlement help, and provision of English programmes. This includes the support of eight families through the UK Government Community Sponsorship Scheme.
16. Football programmes and workshops for Refugee youth, including weekly football sessions.
17. A performing arts academy held on Saturdays including dance, vocals acting and music classes for ages 4-21.
18. Special offerings and activities to support Hillsong's church in Ukraine, and refugees within the UK as a result of the Ukraine conflict.
19. A Heart for the House annual offering, part of which was used to support charitable programmes including social justice causes.
20. A Christmas event held at the Dominion Theatre, London, with a large Christmas production open to all areas of the community.
21. Support to other Churches and Ministries in the UK and Europe.

In 2023, the church was able to increase its impact with the following new initiatives:

- In January 2023, Sunday church services, children's and youth programmes were launched at a new location in Southwest London.
- A second Community Grocery location was launched within Hillsong premises in Newcastle. In partnership with The Message Trust, this Community Grocery location not only offers food provision for local residents, but also community classes, courses and groups.

With a return to activity at a scope reduced from pre-Covid activities, approximately 1,000 volunteers continued to be involved in activities conducted or supported by Hillsong Church including:

- Running Sunday services in London, Guildford, Tonbridge, Oxford, Newcastle, Edinburgh, Liverpool, Birmingham and Reading.
- Producing and organising online services and other online content.
- Leading Small Groups in Greater London, Surrey, Kent, Berkshire, Oxford, Newcastle, Edinburgh, Liverpool and Birmingham.
- Running women's ministries in London Greater London, Surrey, Kent, Oxford and Newcastle.
- Leading youth ministries in Greater London, Surrey, Kent, Oxford, Liverpool and Newcastle.
- Helping the homeless in London, Kent and other areas by travelling with the Green Light van seven days per week.
- Participating in activities supporting refugees including running community based workshops and activities and distribution of clothing and other items.
- Assisting in the outworking of the Love Your Neighbour program including leading courses, distributing food support and managing collection of items.

In the consideration of all activities undertaken the trustees have had regard to the public benefit guidance published by The Charity Commission.

Trustees' Report (Including Strategic Report) (continued)

Achievements and performance

In prior years, achievement and performance has been primarily measured against targets for financial growth, by the increased number of attendees at Sunday services and other gatherings, and by the number of members volunteering.

These measurements were impacted significantly by external and internal factors over the past few years, including the impact of the global pandemic, and Hillsong church's global senior leadership transition.

However in 2023 significant growth was achieved in numbers of attendees at Sunday services, as well as growth in other areas of church activities and initiatives. The church's objectives remain the same to continue to build on the foundation of previous years, and build healthy and active church communities.

Financial measurements are discussed below.

To our knowledge, there are no internal or external factors that will significantly prevent us from achieving our future objectives.

Financial review

Balance sheet funds stood at £8,644,609 (2022: £9,281,837) comprising Restricted Funds of £2,774,334 (2022: £2,810,315) and Unrestricted Funds of £5,870,275 (2022: £6,471,522).

During this financial year, the charity made a net deficit of £637,228 (2022: deficit of £1,142,628).

The 2023 results were impacted by a combination of factors. General donation income reduced and remained significantly below pre-pandemic levels. In 2022 the Trustees implemented a strategy in response to lower income levels and economic uncertainty, which resulted in significant cost reductions. These cost reductions have been gradually realised over 2023 and continue into 2024, in response to income levels.

The net result for 2023 remains in deficit, however has reduced significantly from the prior year, despite lower income in 2023.

In 2023 the church's property portfolio was also reassessed, with the disposal of non-core assets in order to generate funds for investment into core assets, and the reduction of debt.

The charity's main source of income continues to be donations from church members.

Governance costs represent less than 1% of total resources expended.

Trustees' Report (Including Strategic Report) (continued)

Reserves policy

The charity had reserves of £8,644,609 at 31 December 2023 (2022: £9,281,837). Of the total reserves of £8,644,609 an amount of £2,774,334 (2022: £2,810,315) is considered restricted funds. Restricted funds relate to the Hillsong Building Fund, Spring the Trap (Green Light) funds and other social justice funds which are received and passed on to partner organisations.

The total unrestricted reserves of £5,870,275 (2022: £6,471,522) consists of £711,199 (2022: £417,817) in cash, with the remainder represented by fixed assets of £11,380,969 (2022: £13,848,507), other current assets of £1,064,854 (2022: £1,419,109) less creditors of £7,286,747 (2022: £9,213,912). The total restricted reserves of £2,774,334 (2022: £2,810,315) consists of £332,914 (2022: £337,741) in cash, with the remainder represented by fixed assets.

In 2021 the reserves policy was refreshed and stipulated a goal of holding unrestricted cash equal to three months of staffing costs and debt repayments. It was acknowledged that in the season of investment into returning to activities post Covid-19 restrictions, and when building costs were needed, it would be acceptable to hold reserves below this amount at this time.

The planning for future years includes plans to reduce costs and grow income to allow for increased unrestricted surplus funds to contribute to unrestricted reserves.

Plans for future years

Our mission and objectives for the future remain the same as outlined earlier, that is, to continue to communicate the Gospel of Jesus Christ.

Our objectives for the future are to build on the growth experienced and see a substantial increase in the number of people establishing a personal relationship with the Lord Jesus Christ. This objective will be fulfilled by creating additional capacity for Sunday services in existing and new locations. We also seek to see increasing numbers of people actively involved in Church life by attending Small Groups or being involved in our volunteer teams and other activities. Hillsong Conference will be relaunched in 2024.

We will continue to provide opportunities for designated giving towards specific projects, which we will partner within the UK and overseas.

We aim to further develop current initiatives, to increase focus on discipleship programs, helping people in our Church become mature Christians, through a clear understanding of the Bible and how it applies to their life.

The activity to support those in need of emergency assistance, homeless in the UK, elderly in the community and refugees in the UK has continued. The charity has been able to respond quickly and effectively to the needs of the community and in particular, the work to support Refugees and Asylum Seekers will continue to grow in future years. Other programmes such as Love Your Neighbour, initially launched during the pandemic, will be refocussed for maximum impact.

Trustees' Report (Including Strategic Report) (continued)

Structure, governance and management

Day to day management is vested in the management team led by the lead pastor.

Hillsong Church London is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 35 Little Russell Street, London, England, WC1A 2HH.

The charity is registered with the Office of the Scottish Charity Regulator (SC051872).

The trustees have delegated all aspects of decision making to the management team.

The charity is affiliated with other Hillsong churches across the world including in Australia, South Africa, the U.S.A., South America, Europe and has previously established churches in the Netherlands, Spain and Italy.

The trustees have had due regard to the public benefit guidance published by the Charity Commission. The current Trustee body is diverse and dynamic and has the knowledge and skills required to ensure due diligence for the organisation. The board constitutes of five trustees. Information on each of the trustees is included below:

- A Chartered Accountant and former senior financial manager with a major international insurance broker based in the UK, having over 30 years financial experience in a number of organisations both in the UK and overseas.
- A Managing Director of an automotive sales group, and the former chairman of a charity focussed on youth activities, with extensive experience in the development, operation and management of youth based charities.
- A partner of a London law firm specialising in Residential Property with extensive experience in volunteer leadership roles within church.
- An executive of a creative industries venture, with experience in managing and developing both private and social enterprises, including developing and overseeing community development programs.
- An investment banker at a large international investment bank, with experience in church roles including youth leadership.

A recent review of the board structure has been undertaken. As a result of this review, it was agreed to consider a maximum term of service for trustees. Accordingly in 2023 the longest serving trustees have resigned. In late 2023 a search was launched to appoint new trustees within a new framework of independence, diversity and appropriate skill.

For the appointment of new Trustees, existing Trustees and senior staff are able to make recommendations to the Chairman and the Management. The trustees, after completion of due diligence, in turn make recommendations to the members, for appointment by resolution. New Trustees are selected giving regard to independence and maintaining a diverse group of skills and experience.

The Trustees are provided with a Trustee Induction Pack with information on the organisation, the Trustee's role in relation to governance and their responsibilities under Charity Law.

The remuneration of key management personnel is reviewed by the Chairman and two other non-executive trustees each year. Consideration is given to equivalent salaries of similar positions within the marketplace, using published salary information. A Remuneration Committee has recently been established to increase governance in this area.

Related parties

Hillsong NL, Hillsong Espana and Hillsong Church Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £8,402 (2022: £23,578) with Hillsong NL. This consists of donations received from Hillsong NL of £8,402 (2022: £23,758). There were costs of £1,714 (2022: £Nil) paid on behalf of Hillsong Espana. There were also costs of £Nil (2022: £2,712), tithes and offerings of £Nil (2022: £2,204) and sale of teaching resources of £Nil (2022: £Nil) on behalf of Hillsong Italia. There were also donations received of £Nil from Hillsong Italia (2022: £1,498).

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2022: £Nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. The trustees' remuneration for these items for the year was £27,868 (2022: £60,093).

Trustees' Report (Including Strategic Report) (continued)

Risk management

The Church is a fit for purpose organisational structure, Company Limited by Guarantee.

Both the risks and systems are regularly reviewed with a risk register maintained by the trustees. The risk register presents the principal risks facing the Church in the following categories:

- | | |
|------------------------|--------------------|
| • Facilities | • Operational |
| • Human Resources | • Security |
| • Fraud | • Financial |
| • IT, Data and Cyber | • Public Relations |
| • Legal and Regulatory | |

These risks have been mitigated, with various action taken, including the following:

- Appointment of diverse skilled individuals to the Board of Trustees
- Appointment of qualified and appropriately experienced employees, in particular to the areas of Financial Management, HR, OH&S and Asset Management
- Separation of authority to approve significant financial decisions
- Regular reporting of areas of risk to the trustees. This reporting includes the operation of a risk log, risk rating matrix and regular reporting of metrics for risk management
- Engagement of external consultants to advise on significant issues
- Regular review of policies and procedures

Trustees' Report (Including Strategic Report) (continued)

A summary of those risks considered to have a very high maximum potential for impact as per the risk log is including below:

Potential Risk	Risk mitigation controls
Loss of, or significant disruption of key venues, leading to increased costs, reduced congregation, strain on human resources and reduced ability to meet Church objectives	• Identification of alternative venues for all key sites • Maintenance of strong relationships with landlords • The ability to stream online services • Develop and establish a strong groups culture • Actively seek options to acquire or lease permanent venues
A lack of control or poorly designed procedures leads to a safeguarding issue which has a significant impact on the individuals concerned as well as creating legal, financial and reputational risk for Church	• Appropriate oversight and staff roles for safeguarding matters. • DBS checks for all staff and volunteers who interact with children and vulnerable adults • Regular safeguarding training for all relevant individuals • Provision of adequate staff and volunteers to meet required supervision ratios in Kids & Youth • Development and communication of safeguarding policies • Development of fit-for-purpose reporting and record keeping systems
A staff member or volunteer is mistreated and has a negative impact on the individual, as well as resulting in legal, financial and reputational risk	• Provision and maintenance of appropriate role descriptions • Structured process for performance evaluation and promotion in place • Well-being framework beginning with a process and policy for access to health intervention services
A lack of physical security leads to loss of assets or injury or death of staff, volunteers and congregation	• Use of venue-provided security personnel and procedures • Liaison with Police in relation to key security concerns and/or major events • Event planning policies and procedures cover physical security requirements • Provision of staff or volunteers with appropriate training, as required
Damage to confidence of stakeholders caused by issues outside the UK, by UK staff or by UK volunteers or congregation results in loss of access to venues, financial stress and/or regulatory challenge	• Policy guidelines on employee conduct documented, communicated and followed • Staff and team leaders ensure appropriate selection of volunteers and volunteer training and supervision on an ongoing basis via team nights and other events • Policy in place and followed regarding staff recruitment process and ongoing performance evaluation

Additional risks are managed within the charity's risk framework.

Trustees' Report (Including Strategic Report) (continued)

Going concern

As discussed above, the impact of the global pandemic in 2020-2021, the general economic conditions in the UK, and the transition of Hillsong global senior leadership, have all had an impact on the charity. The main continuing risk to the charity from these items has been the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK including increased inflation levels, increased energy costs, increased interest rates and loss of income within the general population.

In response to this risk, the charity is taking the following steps:

- Reviewing and reducing all expenditure to essential items only. Major cost reductions have occurred over 2022-2023 and continue into 2024.
- Significant negotiations with key suppliers to reduce costs and secure tenure in rented buildings.
- Continuing to offer opportunities to donate to unrestricted and restricted funds through online services, including the promotion of electronic methods for donations and regularly communicating to church congregation on activities.
- Detailed planning and financial forecasting for 2024 and beyond, including understand the capacity of reserves, cash position and options to reduce future costs.
- Disposal of non-core assets for reinvestment into core church building property assets.

The financial investment required for operations in 2022 and 2023 meant cash reserves were utilised in part in the year. A reorganisation of assets meant cash reserves were also replenished in part in 2023. At the end of the year reserves remain adequate to settle liabilities as they fall due. The trustees have considered the period of at least 12 months from signing these accounts.

Given the charity's current ability to reduce costs and respond to income levels, its continued financial strategy for 2024 and its retention of cash and property reserves, the trustees' are of the opinion that the charity can continue as a going concern.

The trustees, working closely with the members and management team, have in place the infrastructure to continue our mission to advance the Christian faith through growing the Church and maintaining our mission to London, the UK and other nations.

Trustees' statement of responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and group and of the income, expenditure and financial activities of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' Report (Including Strategic Report) (continued)

Auditors

RSM UK Audit LLP has expressed its willingness to continue in office.

Statement of disclosure to auditors

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and They have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The Trustees Report, which incorporates the Strategic Report has been approved by the Board of Trustees at its meeting on .31/07/24.....2024 and signed on its behalf by:

Russell Dacre

.....
R Dacre
Chairman

Independent Auditor's report to the Members of Hillsong Church London

Opinion

We have audited the financial statements of Hillsong Church London (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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 of 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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 Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

Independent Auditor's report to the Members of Hillsong Church London (continued)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent Auditor's report to the Members of Hillsong Church London (continued)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations and Health and Safety. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and voluntary income and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and testing income through a combination of tests of control and tests of detail, including testing post year end receipts.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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 company's members, 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 charitable company's members 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street London
EC4A 4AB

Date: 01/08/24

Statement of Financial Activities (including Income & Expenditure Account)
For the Year Ended 31 December 2023

		2023			2022		
		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
		£	£	£	£	£	£
Income							
Donations	3	8,644,689	506,359	9,151,048	9,345,356	762,041	10,107,397
Charitable activities	4	885,248	-	885,248	587,012	-	587,012
Investments	5	18,315	-	18,315	111	-	111
Other income	6	27,880	-	27,880	146,903	-	146,903
Total income		<u>9,576,132</u>	<u>506,359</u>	<u>10,082,491</u>	<u>10,079,382</u>	<u>762,041</u>	<u>10,841,423</u>
Expenditure on:							
Raising funds	7	156,101	-	156,101	251,178	-	251,178
Charitable activities	7	10,021,278	542,340	10,563,618	11,267,097	465,776	11,732,873
Total expenditure		<u>10,177,379</u>	<u>542,340</u>	<u>10,719,719</u>	<u>11,518,275</u>	<u>465,776</u>	<u>11,984,051</u>
Net (expenditure) / income and movement in funds		(601,247)	(35,981)	(637,228)	(1,438,893)	296,265	(1,142,628)
Reconciliation of funds:							
Total funds brought forward	17	6,471,522	2,810,315	9,281,837	7,910,415	2,514,050	10,424,465
Total funds carried forward	17	<u>5,870,275</u>	<u>2,774,334</u>	<u>8,644,609</u>	<u>6,471,522</u>	<u>2,810,315</u>	<u>9,281,837</u>

The statement of financial activities includes all gains and losses in the year.

All activities derive from continuing operations.

The notes on pages 19 to 33 form an integral part of these financial statements.

Balance Sheet as at 31 December 2023

		2023		2022
		£	£	£
Fixed assets				
Tangible assets	11	13,822,389		16,321,082
Current assets				
Stocks		42,246		42,248
Debtors	12	1,022,608		1,376,861
Cash at bank and in hand	13	1,044,113		755,558
Total Current assets		2,108,967		2,174,667
Creditors: amounts falling due within one year	14	(1,742,839)		(2,743,084)
Net current assets/ (liabilities)			366,128	(568,417)
Total assets less current liabilities			14,188,517	15,752,665
Creditors: Amounts falling due after more than one year	16	(5,543,908)		(6,470,828)
Net assets			8,644,609	9,281,837
The funds of the charity				
Restricted funds	18	2,774,334		2,810,315
Unrestricted funds		5,870,275		6,471,522
Total charity funds			8,644,609	9,281,837

Approved and authorised for issue by the trustees on 31/07/24 and were signed on its behalf by:

Russell Dacre
.....
R Dacre
Director

The notes on pages 19 – 33 form part of these financial statements.
Company number: 05487537 (England and Wales)
Charity number: 1120355 (England and Wales)
Charity number: SC051872 (Scotland)

Statement of Cash Flows
For the year ended 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities	20	583,275	(68,306)
Cash flows from investing activities			
Interest income		18,315	111
Interest expenditure		(424,631)	(321,598)
Purchase of tangible fixed assets		(339,696)	(7,265,925)
Proceeds on disposal of tangible assets		1,885,066	443,091
Net cash provided by/(used in) investing activities		1,139,054	(7,144,321)
Cash flows from financing activities			
Proceeds of new loans		-	4,574,030
Repayment of borrowings		(1,373,392)	(240,158)
Payment of obligations under finance leases		(60,382)	(91,959)
Net cash (used in)/provided by financing activities		(1,433,774)	4,241,913
Increase/(decrease) in cash and cash equivalents in the year		288,555	(2,970,715)
Cash and cash equivalents at the beginning of the year		755,558	3,726,273
Cash and cash equivalents at the end of the year	13	1,044,113	755,558

Notes forming part of the Financial Statements

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

General information

Hillsong Church London is a company limited by guarantee (Companies House No. 05487537) and a registered charity (Registered Charity No. 1120355 (England and Wales) and SC051872 (Scotland)). It is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 35 Little Russell Street, London, WC1A 2HH.

Basis of preparation

These Financial Statements have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Hillsong Church London meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the Church. Monetary amounts in these financial statements are rounded to the nearest whole £.

Going concern

As discussed in the Trustees' Report, the impact of the global pandemic in 2020-2021, the general economic conditions in the UK, and other internal factors have all had an impact on the charity. The main continuing risk to the charity from these items has been the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK including increased inflation levels, increased energy costs, increased interest rates and loss of income within the general population.

The trustees consider the use of the going concern basis of accounting is appropriate. While there has been operating losses incurred in the current year, and while there is a general economic uncertainty within the UK, the trustees have considered the charity's ability to reduce costs, and remain of the opinion that the charity can continue as a going concern. The operating strategy for future years shows the charity's ability to reduce costs, maintain income and respond to economic conditions.

There are no other material uncertainties related to events or conditions that may cast significant doubt about the ability of the Church to continue as a going concern.

Income

Donation income

Income is recognised when the Church has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the income can be reliably measured.

Income is received by way of donations, tithes and offerings and is included in full in the statement of financial activities when received. Donations arising under Gift Aid are accounted for on the date of receipt and provisions are made for income tax remaining unclaimed at the year end.

Income from charitable activities

Income from conferences, events, and sales of Christian resources are made in furtherance of the objects of the Church, and are accounted for when income is receivable.

Income received in advance of an event is deferred until the criteria for income recognition are met.

Grant income

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Investment income

Investment income relates to interest on funds held on deposit and is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the costs of commercial trading including venue premises, productions and their associated support costs.
- Expenditure on charitable activities includes, but is not limited to, the cost of conferences and events, resource sales, teaching and ministry, missions and governance.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Total expenditure includes the allocation of support costs to the various expenditure categories set out in the statement of financial activities. These support costs relate to the corporate functions including information technology, property and facilities management, human resources, finance and governance, in addition to the support costs incurred by communications and other centralised departments that are not otherwise directly allocated. Support costs have been allocated to activities based on the apportionment of time spent by employees in each category. This apportionment is calculated for each key employee department.

Governance costs represent costs from external service providers relating to the strategic management of the Church. While the trustees meet regularly on an informal and formal basis to discuss strategic and governance issues, the Church structure and involvement of the trustees in its day-to-day activities means that these meetings do not give rise to specific costs.

Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Church substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the life of the lease.

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to that fund.

Details of restricted funds are disclosed in note 18.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Unrestricted funds

Unrestricted funds are donations and other income received or generated for the objectives of the Church without further specified purpose and are available as general funds.

Donated goods

Donated goods for on-going use by a charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the statement of financial activities.

Donated goods held as tangible fixed assets are subject to depreciation and are assessed at the reporting date of whether there is any indication that the asset should be written down to its recoverable amount.

Tangible fixed assets

Fixed assets are for use by the Church in fulfilling its main charitable objectives and are capitalised and depreciated. Items under £1,000 are written off against income in the year of purchase.

Depreciation is charged at a rate to reduce useful economic lives of tangible fixed assets to £nil in accordance with the following policies:

Freehold buildings	- 2% reducing balance basis (10%-25% on property improvements)
Production equipment	- 10-33% straight line basis
Vehicles	- 33.3-50% straight line basis
Office equipment	- 20-33.3% straight line basis
Leasehold improvements	- 10-20% straight line basis

No depreciation is provided in respect of freehold land.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Church estimates the recoverable amount of the asset.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and other loans are initially recognised at transaction price. The Church has not entered into any financing transactions.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Derivatives

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

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative value is recognised as a financial liability.

Cash and cash equivalents

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

Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pensions

The church contributes to a defined contribution scheme with Scottish Widows in respect of staff. Contributions are charged to the income and expenditure account when payable. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors.

2. Judgement in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations for future events that are believed to be reasonable under the circumstances.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

Notes forming part of the Financial Statements (continued)

3. Income from donations

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Tithes & Offerings	7,272,035	506,359	7,778,394	7,819,477	762,041	8,581,518
Gift Aid Claimed	1,372,654	-	1,372,654	1,525,879	-	1,525,879
	<u>8,644,689</u>	<u>506,359</u>	<u>9,151,048</u>	<u>9,345,356</u>	<u>762,041</u>	<u>10,107,397</u>

4. Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Conferences and events	165,238	-	165,238	286,495	-	286,495
Resource sales	12,346	-	12,346	5,303	-	5,303
Music royalties receivable	501	-	501	9,329	-	9,329
Other income	411,002	-	411,002	108,567	-	108,567
Foreign exchange gain on derivative	278,990	-	278,990	-	-	-
Grant income	17,171	-	17,171	177,318	-	177,318
	<u>885,248</u>	<u>-</u>	<u>885,248</u>	<u>587,012</u>	<u>-</u>	<u>587,012</u>

5. Investment income

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Interest receivable	<u>18,315</u>	<u>-</u>	<u>18,315</u>	<u>111</u>	<u>-</u>	<u>111</u>

6. Other income	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
	<u>27,880</u>	<u>-</u>	<u>27,880</u>	<u>146,903</u>	<u>-</u>	<u>146,903</u>
Profit on disposal of tangible fixed assets	<u>27,880</u>	<u>-</u>	<u>27,880</u>	<u>146,903</u>	<u>-</u>	<u>146,903</u>

Notes forming part of the Financial Statements (continued)

7. Total expenditure

	Basis of allocation	Cost of raising funds	Conference and events	Resource sales	Teaching and ministry	Missions	Governance costs	Total 2023	Total 2022
	£	£	£	£	£	£	£	£	£
Staff costs	Direct	-	91,621	-	2,064,670	-	-	2,156,291	2,461,180
Venue costs	Direct	-	153,791	-	2,220,479	-	-	2,374,270	3,045,833
Production costs, equipment hire and transport costs	Direct	-	58,089	-	430,301	-	-	488,390	667,111
Ministry and mission expenses	Direct	-	31,626	-	1,103,500	470,271	-	1,605,397	1,753,267
Cost of sales	Direct	-	-	23,209	-	-	-	23,209	50,005
Support costs allocated to activities									
Staff costs	Staff time	65,607	200,027	8,748	866,407	72,588	19,411	1,232,788	1,114,029
Premises	Staff time	29,533	90,041	3,938	390,010	32,675	8,738	554,935	674,349
General management and office administration costs	Staff time	17,967	54,781	2,396	237,830	19,879	5,315	338,168	311,849
Communications and IT costs	Staff time	20,034	61,082	2,672	264,569	22,166	5,928	376,451	371,150
Audit fees	Direct	-	-	-	-	-	44,100	44,100	42,000
Other accounting fees	Direct	-	-	-	-	-	85,383	85,383	47,624
Legal & Professional	Direct	-	-	-	-	-	43,592	43,592	57,472
Depreciation	Staff time	-	88,582	3,874	856,600	32,146	-	981,202	1,053,957
Interest	Staff time	22,960	70,001	3,061	303,205	25,404	-	424,631	321,598
Profit or loss on foreign exchange		-	-	-	(9,088)	-	-	(9,088)	12,628
		<u>156,101</u>	<u>899,641</u>	<u>47,898</u>	<u>8,728,483</u>	<u>675,129</u>	<u>212,467</u>	<u>10,719,719</u>	<u>11,984,051</u>

Expenditure on charitable activities was £10,563,618 (2022: £11,732,873), of which £10,021,278 was unrestricted (2022: £11,267,097) and £542,340 was restricted (2022: £465,776).

Expenditure on raising funds was £156,101 (2022: £251,178), of which £156,101 was unrestricted (2022: £251,178) and £Nil was restricted (2022: £Nil).

Notes forming part of the Financial Statements (continued)

8. Net (expenditure)/income for the financial year

This is stated after charging:

	2023	2022
	£	£
Fees payable to RSM UK Audit LLP:		
Audit services	44,100	42,000
Accounts preparation	9,230	8,790
Taxation compliance services	3,500	2,600
Depreciation		
Owned	942,192	1,018,182
Leased	39,010	35,775
Operating lease rentals	689,223	905,500
Profit on disposal of fixed assets	(27,880)	(146,903)

9. Analysis of staff costs and costs of key management personnel

	2023	2022
	£	£
Wages and salaries	2,767,003	2,979,943
Social security costs	269,338	297,669
Pension costs	104,412	101,308
	3,140,753	3,378,920

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2022: £Nil). During the year, one (2022: two) trustee received remuneration in respect of other services provided by them. Details of this remuneration can be found in note 22 of the financial statements. The trustees are responsible for governing the charity and directing how it is managed and run.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, which is comprised of the trustees and the management team as defined on page 3. The total employee benefits and remuneration of the key management personnel during the year, including employers NI, was £261,696 (2022: £263,950).

Notes forming part of the Financial Statements (continued)

9. Analysis of staff costs and costs of key management personnel (continued)

The average monthly number of employees during the year was as follows:

	2023	2022
	No	No
Lead Pastors	2	2
Pastoral, Missions and Ministries	31	37
Sunday Services	13	19
Conferences and events	2	3
Administration and support	27	22
	75	83

The number of employees whose employee benefits exceeded £60,000:

	2023	2022
	No	No
£130k - £140k	1	1
£90k - £100k	2	1
£80k - £90k	-	1
£70k - £80k	1	-
£60k - £70k	1	2
	5	5

Pension contributions paid to higher paid staff during the year to 31 December 2023 were £24,530 (2022: £23,448).

10. Donated services and facilities

There are approximately in excess of 1,000 (2022: 1,000) unpaid volunteers involved in activities conducted or supported by Hillsong Church. The value to be placed on these resources cannot be reliably quantified and measured and is not therefore recognised in the statement of financial activities.

Notes forming part of the Financial Statements (continued)

11. Tangible fixed assets

	Freehold land and buildings	Leasehold improvements	Production equipment	Vehicles	Office equipment	Total
	£	£	£	£	£	£
Cost						
At 1 January 2023	15,158,258	1,342,156	6,252,921	320,891	1,535,793	24,610,019
Additions	198,166	14,277	90,850	-	36,403	339,696
Disposals	(2,189,658)	(440,407)	(66,537)	-	(353,372)	(3,049,974)
At 31 December 2023	13,166,766	916,026	6,277,234	320,891	1,218,824	21,899,741
Depreciation						
At 1 January 2023	1,235,918	681,729	4,793,438	294,118	1,283,734	8,288,937
Charge for the year	327,080	98,449	438,735	17,126	99,812	981,202
On disposals	(478,730)	(298,323)	(62,577)	-	(353,157)	(1,192,787)
At 31 December 2023	1,084,268	481,855	5,169,596	311,244	1,030,389	8,077,352
Net book value						
31 December 2023	12,082,498	434,171	1,107,638	9,647	188,435	13,822,389
Net book value						
31 December 2022	13,922,340	660,427	1,459,483	26,773	252,059	16,321,082

Barclays Bank Plc holds a first charge over all tangible fixed assets owned by The Church under mortgage at the year end. Excluded from this charge are property assets that are not held as Barclays mortgage security.

Included in the total net book value of assets is £129,220 (2022: £214,097) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £39,010 (2022: £35,775).

12. Debtors

	2023	2022
	£	£
Trade debtors	75,938	30,816
Gift Aid recoverable	60,509	152,947
Other debtors	294,973	329,242
Prepayments and accrued income	591,188	632,061
Derivative financial instrument	-	231,795
	1,022,608	1,376,861

The derivative financial instrument of £Nil (2022: £231,795) represents a foreign currency forward contract which was converted from AUD to GBP.

Notes forming part of the Financial Statements (continued)

13. Cash at bank and in hand

	2023 £	2022 £
Cash at bank	1,031,598	743,043
Cash in hand	12,515	12,515
	1,044,113	755,558

14. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	271,672	311,151
Obligations under finance leases	39,741	60,383
Trade creditors	673,444	449,590
Taxation and social security	281,429	404,743
Other creditors	21,723	28,752
Accruals and deferred income	454,830	788,465
Other loans	-	700,000
	1,742,839	2,743,084

A bank loan was obtained in July 2008 from Barclays Bank Plc over a 20 year term with 228 capital repayment instalments. The current repayments are £10,700 per month together with interest payments at the bank base rate plus 1.20%.

In October 2021, a loan obtained in August 2016 was repaid, and a new loan of £2,250,000 was obtained from Barclays Bank Plc over a 5 year term with 20 capital repayment instalments. The current repayments are £31,204 per quarter plus interest payments at the bank base rate plus 2.70%. An additional capital repayment was made against this loan in 2023.

In October 2021, a second loan from August 2016 was repaid, and a further new loan was obtained from Barclays Bank Plc for £175,033 over a 5 year term with 20 capital repayment instalments. The loan was repaid in full in 2023.

In January 2022, a loan was obtained from ACC Directorate over a 3 year term on an interest only basis, for AUD \$6,881,047 (£3.6m). The current rate of interest is 4.90% per annum.

Included in other creditors above is £19,262 (2022: £19,632) owing to the pension fund.

The Charity's obligations under finance leases are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in note 11.

Notes forming part of the Financial Statements (continued)

15. Deferred income

	2023 £	2022 £
At 1 January	512,917	802,828
Less amount released to income	(512,917)	(802,828)
Plus amount deferred in the year	304,715	512,917
At 31 December	304,715	512,917

As at 31 December 2023 and 31 December 2022, all deferred income relates to income received in advance of conferences and events to be held at a future date.

16. Creditors: amount falling due after more than one year

	2023 £	2022 £
Bank loans	1,841,092	2,534,474
Other loans	3,696,373	3,890,171
Obligations under finance leases	6,443	46,183
	5,543,908	6,470,828
Analysis of bank and other loans:	2023 £	2022 £
Debt can be analysed as falling due		
In one year or less, or on demand	271,672	311,151
Between one and two years	3,931,139	295,010
Between two and five years	1,606,326	6,000,728
In five years or more	-	128,907
	5,809,137	6,735,796
Analysis of finance leases:	2023 £	2022 £
Debt can be analysed as falling due		
In one year or less, or on demand	39,741	60,383
Between one and two years	4,833	39,741
Between two and five years	1,610	6,442
	46,184	106,566

Finance lease payments represent rentals payable by the company for certain items of equipment and motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2-4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Notes forming part of the Financial Statements (continued)

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2023 Total £	Unrestricted Funds £	Restricted Funds £	2022 Total £
Tangible fixed assets	11,380,969	2,441,420	13,822,389	13,848,507	2,472,575	16,321,082
Current assets	1,776,053	332,914	2,108,967	1,836,927	337,740	2,174,667
Current liabilities	(1,742,839)	-	(1,742,839)	(2,743,084)	-	(2,743,084)
Non-current liabilities	(5,543,908)	-	(5,543,908)	(6,470,828)	-	(6,470,828)
Fund Total	5,870,275	2,774,334	8,644,609	6,471,522	2,810,315	9,281,837

18. Analysis of restricted income funds

Summary of the activity of the restricted funds for 2023 was as follows :

	Balance Brought forward 2023 £	Income £	Expenditure £	Depreciation £	Balance carried forward 2023 £
Spring the Trap	79,597	44,860	(57,126)	-	67,331
Because We Can	249,045	156,787	(283,784)	-	122,048
Building Fund	2,472,574	179,197	(516)	(75,305)	2,575,950
Youth Services	5,343	32,035	(32,036)	-	5,342
Love Your Neighbour	3,756	93,480	(93,573)	-	3,663
Total	2,810,315	506,359	(467,035)	(75,305)	2,774,334

Summary of the activity of the restricted funds for 2022 was as follows :

	Balance Brought forward 2022 £	Income £	Expenditure £	Depreciation £	Balance carried forward 2022 £
Spring the Trap	68,796	60,867	(50,066)	-	79,597
Because We Can	52,604	408,091	(211,650)	-	249,045
Building Fund	2,386,872	172,681	(10,319)	(76,660)	2,472,574
Youth Services	4,821	21,369	(20,847)	-	5,343
Love Your Neighbour	957	99,033	(96,234)	-	3,756
Total	2,514,050	762,041	(389,116)	(76,660)	2,810,315

Notes forming part of the Financial Statements (continued)

Analysis of restricted income funds (continued)

The major restricted funds comprise Hillsong Foundation Funds, including:

Spring The Trap

As 'Green Light' (formerly City Care) funds are generated in order to provide care, compassion and support to people from all walks of life facing challenges in the local community.

Because We Can

Hillsong Church London collaborates with international social justice organisations as part of a global effort to make poverty history.

Building Fund

The Building Fund was set up using gifts specified to be used to acquire appropriate accommodation for the Church in the future, and to make improvements to church accommodation.

Youth Services

As the 'I Care Revolution' Hillsong delivers a strong message via schools to encourage people to start to take responsibility and care for others.

Love Your Neighbour

The Love Your Neighbour campaign was established to provide Covid-19 related relief, and continues to focus on the provision of food supplies, financial and debt guidance and career advice.

19. Commitments

The total future minimum payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Operating leases which expire:		
Within one year	548,729	665,070
Between one and five years	1,701,856	1,842,839
In over five years	393,750	776,250
	2,644,335	3,284,159

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

	2023	2022
	£	£
Net movement in funds	(637,228)	(1,142,627)
Deduct interest income shown in investing activities	(18,315)	(111)
Add back interest expenditure shown in investing activities	424,631	321,598
Add back depreciation charges	981,202	1,053,957
Profit on disposal of tangible assets	(27,880)	(146,903)
Decrease in stocks	2	26,589
Decrease in debtors	354,255	144,986
Decrease in creditors	(493,392)	(325,795)
Net cash provided by/(used in) operating activities	583,275	(68,306)

Notes forming part of the Financial Statements (continued)

21. Analysis of changes in net funds

	At start of year	Cash flows	Other non- cash flows	At end of year
	£	£	£	£
Net cash				
Cash at bank and in hand	755,558	288,555	-	1,044,113
Debts falling due within one year				
Borrowings excluding overdrafts	(1,011,151)	1,373,392	(633,913)	(271,672)
Obligations under finance leases	(60,383)	60,382	(39,740)	(39,741)
Debts falling due after one year				
Borrowings excluding overdrafts	(6,424,645)	-	887,180	(5,537,465)
Obligations under finance leases	(46,183)	-	39,740	(6,443)
	<u>(6,786,804)</u>	<u>1,722,329</u>	<u>253,267</u>	<u>(4,811,208)</u>

22. Related party transactions

Hillsong NL, Hillsong Espana and Hillsong Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £8,402 (2022: £23,578) with Hillsong NL. This consists of donations received from Hillsong NL of £8,402 (2022: £23,758). There were costs of £1,714 (2022: £Nil) paid on behalf of Hillsong Espana. There were also costs of £Nil (2022: £2,712), tithes and offerings of £Nil (2022: £2,204) and sale of teaching resources of £Nil (2022: £Nil) on behalf of Hillsong Italia. There was also donations received of £Nil from Hillsong Italia (2022: £1,498).

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2022: £Nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. This remuneration was made under clause 4.3.4 of the charity's governing document. The trustees' remuneration for these items for the year was £27,868 (2022: £60,093), remunerated to the following trustees:

	2023 £	2022 £
Ray Newton: Salary including NI - Legal Counsel	27,868	26,811
David Whitewood: Salary including NI	-	34,092
	<u>27,868</u>	<u>60,903</u>
Total		

There were no other outstanding balances with related parties as at 31 December 2023 (2022: £Nil).

Notes forming part of the Financial Statements (continued)

23 Taxation

The charity is exempt from tax on income and gains falling within part II of the Corporation Taxes Act 2010 or section 255 of the Taxation of Charitable Gains Act 1992 to the extent that these apply to its charitable objectives.

24 Controlling party

The company is limited by guarantee and does not have share capital. No one individual member has control.

HILLSONG CHURCH LONDON

England & Wales - Charity number 1120355

Accounts

COMPANY NUMBER: 05487537 (England and Wales)

CHARITY NUMBER: 1120355 (England and Wales)

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

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Reference and Administrative Information

Registered office and advisors

Hillsong Church London ("The Church") is a company limited by guarantee (Company No: 05487537)

Registered Charity Number 1120355

Registered Office Hillsong Church London
35 Little Russell Street
London
WC1A 2HH

Company Secretary R Newton

Trustees R Dacre (Chairman)
J Lestz (resigned 23 May 2023)
R Newton (resigned 23 May 2023)
Dr S Wilson (resigned 23 May 2023)
E Simmons (resigned 23 May 2023)
D Whitewood
C Okeke
U Obi
D Bagheri

Management Team T Douglass (Lead Pastor and CEO)
A Spies (Chief Financial Officer)

Bankers Barclays Bank plc
126 Station Road
Edgware
Middlesex
HA8 7RY

Auditors RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitors Bates Wells
10 Queen Street Place
London
EC4R 1BE

Trustees' Report (Including Strategic Report)

The Trustees, who are also Directors of the company for Companies Act purposes, present their report for the year ended 31 December 2022.

Objectives and Activities

Principal aims and objectives

The principal aim and objective of Hillsong Church London ("the Church") is that of advancement of the Christian faith for the benefit of the public in the UK, Europe and elsewhere by the pronouncement of the Gospel of Jesus Christ in accordance with the Statement of Faith referred to in the company constitution.

Strategy

Our strategy in achieving these objectives has remained constant since the Church was first established:

1. To take the truth of the Gospel and teachings of the Christian faith and communicate them to a diverse audience.
2. To build a large Christ centred Bible-based church headquartered in London, able to serve the Greater London area, the UK and Europe.
3. To engage all members of the Church to participate in an area of Church ministry, all contributing to a healthy church, changing lives through Christ.

Principal Activities

2022 has seen a continuation of our principal activities. Many of these activities have been impacted in recent years due to the significant impact of the Covid-19 pandemic and related control measures in the UK and around the world. Over 2022 many of the restrictions impacting our activities were fully lifted, however the charity has continued to be able to respond to changing needs of communities.

The principal activities of the church continued to be:

1. Regular Sunday church services and children's activities around the UK based in:
 - a. Central London at the Dominion Theatre.
 - b. South East London, at hired premises.
 - c. Guildford, Surrey at G-Live.
 - d. Tonbridge, Kent at The River Centre.
 - e. Oxford, Oxfordshire at the Odeon Theatre.
 - f. Newcastle-Upon-Tyne at Westgate Hall.
 - g. North London initially at the Bernie Grant Arts Centre, moving to the Golders Green Hippodrome.
 - h. Edinburgh, Scotland at the Rose Theatre
 - i. Liverpool at leased premises in Mann Street, Liverpool.
 - j. Birmingham at various locations within the city.
 - k. Croydon, London at Fairfield Halls.
 - l. Reading, Berkshire at the Reading Minster and the Reading Rep Theatre.
2. Weekly church services broadcast on various platforms including content for the church members in the UK and specific content for youth and kids. Online content continues to be broadcast even as physical services restarted.
3. Mid-week home-based Small Groups across the UK.
4. Regular Youth and Young Adults services and activities at various locations including in London, Guildford, Tonbridge and Oxford when possible.
5. Youth Ministry, particularly to students in High Schools in the Greater London area.
6. Leadership training seminars and Evening College classes. This activity continued online.
7. Women's Ministry including seminars and events.

Trustees' Report (Including Strategic Report) (continued)

8. Distribution of relief to people in need of emergency assistance for matters such as accommodation, food vouchers, counselling, travel, rental arrears and home repairs.
9. Continued a major community program, Love Your Neighbour, together with other churches across the UK, providing emergency food assistance, financial education and career and job assistance to those impacted by the pandemic.
10. Support for programs for the relief of poverty in Uganda (Watoto), and in India (Vision Rescue). In addition, partnership with Compassion, sponsoring children in Uganda and other countries, and partnership with The A21 Campaign, a charity registered in England.
11. Support for local ministry to the homeless, including provision and maintenance of 'Green Light' medical vans to provide assistance to the homeless in London, Kent and surrounding areas. The Green Light activity includes provision of medical support to Asylum Seekers arriving in UK, and provision of vaccination programs.
12. Support for the needs of refugees in the UK and Europe, including collection of clothing items, assistance with practical settlement help, and provision of English programs. This includes the support of eight families through the UK Government Community Sponsorship Scheme.
13. Football programs and workshops for Refugee youth, including weekly football sessions.
14. A Christmas event held over three weeks at the Dominion Theatre, with a large Christmas production open to all areas of the community.
15. A performing arts academy held on Saturdays including dance, vocals acting and music classes for ages 4-21.
16. A Heart for the House annual offering, part of which was used to support charitable programs including social justice causes.
17. Special offerings and activities to support Hillsong's church in Ukraine, and refugees within the UK as a result of the Ukraine conflict.
18. Support to other Churches and Ministries in the UK, and Europe.

In 2022 we were able to launch a new initiative linked to our Love Your Neighbour programs. In partnership with The Message Trust, a Community Grocery location was launched within the Hillsong premises in Liverpool. This location not only offers food provision for local residents, but also community classes, courses and groups.

In January 2022, the charity completed the acquisition of the Golders Green Hippodrome. This acquisition represents a major strategic step forward for Hillsong in the UK and London, allowing the increase in many church and community activities, including youth programs, support for community groups such as refugees and other initiatives to be hosted within our own location. It also enabled our church congregation in North London to move into a permanent location.

With a return to activity at a scope reduced from pre-Covid activities, approximately 1,000 volunteers continued to be involved in activities conducted or supported by Hillsong Church including:

- Running Sunday services in London, Guildford, Tonbridge, Oxford, Newcastle, Edinburgh, Liverpool, Birmingham and Reading.
- Producing and organising online services and other online content.
- Leading Small Groups in Greater London, Surrey, Kent, Oxford, Newcastle, Edinburgh, Liverpool, Birmingham and Milan, Italy.
- Running women's ministries in London Greater London, Surrey, Kent, Oxford and Newcastle.
- Leading youth ministries in Greater London, Surrey, Kent, Oxford and Newcastle.
- Helping the homeless in London, Kent and other areas by travelling with the Green Light van seven days per week.
- Participating in activities supporting refugees including running community based workshops and activities and distribution of clothing and other items.
- Assisting in the outworking of the Love Your Neighbour program including leading courses, distributing food support and managing collection of items.

In the consideration of all activities undertaken the trustees have had regard to the public benefit guidance published by The Charity Commission.

Trustees' Report (Including Strategic Report) (continued)

Achievements and performance

In prior years, achievement and performance has been primarily measured against targets for financial growth, by the increased number of attendees at Sunday services and other gatherings, and by the number of members volunteering.

With Covid-19 control measures being lifted over 2021 and 2022, Sunday services and any other gatherings were held again, and growth was seen in the attendance on all occasions.

Achievements in the areas of social justice activity increased, with an increase in the number of individuals assisted and the number of new programs launched.

The Covid-19 pandemic continues to have an impact on the charity's activities, with the major impact being the rebuild of in person events that has been consistent since mid-2021. In 2022 Hillsong globally announced a transition of senior leadership, however there is no change to Hillsong Church London's objectives as a result of this. The general economic conditions in the UK also have an impact on the charity, however these items are managed within our risk framework.

To our knowledge, there are no other internal or external factors that will significantly prevent us from achieving our future objectives.

Financial review

Balance sheet funds stood at £9,281,837 (2021: £10,424,465) comprising Restricted Funds of £2,810,315 (2021: £2,514,050) and Unrestricted Funds of £6,471,522 (2021: £7,910,415).

During this financial year, the charity made a net deficit of £1,142,628 (2021: deficit of £149,023).

The 2022 results were impacted by a combination of factors. General donation income reduced from 2021 which required the charity to respond quickly with reductions to costs. The trustees agreed on a strategy in response to this which was to embark on a significant cost reduction process during 2022, and fund the operations for the year from reserves generated in prior years. This strategy has been completed with significant cost reductions in place for the start of the 2023 year.

Cost savings can be seen in the 2022 year, where the total unrestricted costs are similar between 2021 and 2022, however 2022 represents a full year of operation, where 2021 costs only represent 6 months of full post-pandemic operations. 2022 costs also include various restructure costs which will result in future operational costs savings.

The acquisition of the Golders Green Hippodrome in the year was a significant asset purchase, which was funded by a combination of building fund reserves, general reserves and debt. During the year a smaller non-core property asset was disposed to reinvest funds into the Golders Green Hippodrome.

The charity's main source of income continues to be donations from church members.

Governance costs represent less than 1% of total resources expended.

Trustees' Report (Including Strategic Report) (continued)

Reserves policy

The charity had reserves of £9,281,837 at 31 December 2022. Of the total reserves of £9,281,837 an amount of £2,810,315 is considered restricted funds. Restricted funds relate to the Hillsong Building Fund, Spring the Trap (Green Light) funds and other social justice funds which are received and passed on to partner organisations.

The total unrestricted reserves of £6,471,522 consists of £417,817 in cash, with the remainder represented by fixed assets of £13,848,507, other current assets of £1,419,109 less creditors of £9,213,912. The total restricted reserves of £2,810,315 consists of £337,741 in cash, with the remainder represented by fixed assets.

In 2021 the reserves policy was refreshed and stipulated a goal of holding unrestricted cash equal to three months of staffing costs and debt repayments. It was acknowledged that in the season of investment into returning to activities post Covid-19 restrictions, and when building costs were needed, it would be acceptable to hold reserves below this amount at this time.

The planning for future years includes plans to reduce costs and grow income to allow for increased unrestricted surplus funds to contribute to unrestricted reserves.

Plans for future years

Our mission and objectives for the future remain the same as outlined earlier, that is, to continue to communicate the Gospel of Jesus Christ.

Our objectives for the future are to build on the growth experienced and see a substantial increase in the number of people establishing a personal relationship with the Lord Jesus Christ. This objective will be fulfilled by creating additional capacity for Sunday services in existing and new locations. We also seek to see increasing numbers of people actively involved in Church life by attending Small Groups or being involved in our volunteer teams and other activities. In 2023 a new location has been launched in South West London, and it is the goal to have Hillsong Conference return in 2023.

We will continue to provide opportunities for designated giving towards specific projects, which we will partner within the UK and overseas.

We aim to further develop current initiatives, to increase focus on discipleship programs, helping people in our Church become mature Christians, through a clear understanding of the Bible and how it applies to their life.

The activity to support those in need of emergency assistance, homeless in the UK, elderly in the community and refugees in the UK has continued. The charity has been able to respond quickly and effectively to the needs of the community and in particular, the work to support Refugees and Asylum Seekers will continue to grow in future years. Other programs such as Love Your Neighbour which commenced during the pandemic will continue.

During 2022 Hillsong decided to dispose of two non-core property assets to direct funds into church buildings. A residential property owned was placed on the market for sale in 2022, with a sale agreed in May 2023.

Trustees' Report (Including Strategic Report) (continued)

Structure, governance and management

Day to day management is vested in the management team led by the lead pastor.

Hillsong Church London is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 35 Little Russell Street, London, England, WC1A 2HH.

On 26 July 2022 the charity was registered with the Office of the Scottish Charity Regulator (SC051872).

The trustees have delegated all aspects of decision making to the management team.

The charity is affiliated with other Hillsong churches across the world including in Australia, South Africa, the U.S.A., South America, Europe and has established churches in the Netherlands, Spain and Italy.

The trustees have had due regard to the public benefit guidance published by the Charity Commission. The current Trustee body is diverse and dynamic and has the knowledge and skills required to ensure due diligence for the organisation. The board constitutes of nine trustees, seven who are locally based, one in Europe who travels to the UK regularly. Information on each of the trustees is included below:

- A Chartered Accountant and former senior financial manager with a major international insurance broker based in the UK, having over 30 years financial experience in a number of organisations both in the UK and overseas.
- A Managing Director of an automotive sales group, and the former chairman of a charity focussed on youth activities, with extensive experience in the development, operation and management of youth based charities.
- A former National Chairman and Managing Partner of a major Australian national law firm, with extensive experience advising churches, educational institutions and charities.
- A CEO of a company which provides financial advice and is regulated by the Financial Conduct Authority, with extensive management and financial experience.
- A senior executive at a digital bank with experience in Transformation Director and Chief Operating Officer roles within large commercial and retail banks.
- A church management and leadership specialist, who travels regularly throughout Europe, Asia and the U.S.A. presenting to churches on management and at leadership seminars and has a Doctorate of Ministry in Church Administration.
- A partner of a London law firm specialising in Residential Property with extensive experience in volunteer leadership roles within church.
- An executive of a creative industries venture, with experience in managing and developing both private and social enterprises, including developing and overseeing community development programs.
- An investment banker at a large international investment bank, with experience in church roles including youth leadership.

The Trustees are provided with a Trustee Induction Pack with information on the organisation, the Trustee's role in relation to governance and their responsibilities under Charity Law.

During 2022 a review of the board structure was undertaken. As a result of this review, it was agreed to consider a maximum term of service for trustees. Accordingly in 2023 the longest serving trustees have resigned. In 2023 a search is underway to appoint new trustees within a new framework of independence, diversity and appropriate skill.

For the appointment of new Trustees, existing Trustees and senior staff are able to make recommendations to the Chairman and the Management. The trustees, after completion of due diligence, in turn make recommendations to the members, for appointment by resolution. New Trustees are selected giving regard to independence and maintaining a diverse group of skills and experience.

Trustees' Report (Including Strategic Report) (continued)

The remuneration of key management personnel is reviewed by the Chairman and two other non-executive trustees each year. Consideration is given to equivalent salaries of similar positions within the marketplace, using published salary information. A Remuneration Committee was established to increase governance in this area, which will be operational with the appointment of new trustees in 2023.

Related parties

Hillsong NL, Hillsong Espana and Hillsong Church Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £23,578 (2021: £291) with Hillsong NL. This consists of £Nil (2021: £282) paid on behalf of Hillsong NL for events held by Hillsong London, donations received of £23,758 (2021: £Nil) and costs reimbursed of £Nil (2021: £573) paid to Hillsong NL in the year. There were costs of £Nil (2021: £Nil) paid on behalf of Hillsong Espana. There were also costs of £2,712 (2021: £3,637), tithes and offerings of £2,204 (2021: £4,112) and sale of teaching resources of £Nil (2021: £59) on behalf of Hillsong Italia. There was also donations received of £1,498 from Hillsong Italia (2021: £Nil).

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2021: £Nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. The trustees' remuneration for these items for the year was £60,093 (2021: £96,026).

Risk management

The Church is a fit for purpose organisational structure, Company Limited by Guarantee.

Both the risks and systems are regularly reviewed with a risk register maintained by the trustees. The risk register presents the principal risks facing the Church in the following categories:

- | | |
|------------------------|--------------------|
| • Facilities | • Operational |
| • Human Resources | • Security |
| • Fraud | • Financial |
| • IT, Data and Cyber | • Public Relations |
| • Legal and Regulatory | |

These risks have been mitigated, with various action taken, including the following:

- Appointment of diverse skilled individuals to the Board of Trustees
- Appointment of qualified and appropriately experienced employees, in particular to the areas of Financial Management, HR, OH&S and Asset Management
- Separation of authority to approve significant financial decisions
- Regular reporting of areas of risk to the trustees. This reporting includes the operation of a risk log, risk rating matrix and regular reporting of metrics for risk management
- Engagement of external consultants to advise on significant issues
- Regular review of policies and procedures

Trustees' Report (Including Strategic Report) (continued)

A summary of those risks considered to have a very high maximum potential for impact as per the risk log is including below:

Potential Risk	Risk mitigation controls
Loss of, or significant disruption of key venue, leading to increased costs, reduced congregation, strain on human resources and reduced ability to meet Church objectives	• Identification of alternative venues for all key sites • Maintenance of strong relationships with landlords • The ability to stream online services • Develop and establish a strong groups culture • Activity seek options to acquire or lease permanent venues
A lack of control or poorly designed procedures leads to a safeguarding issue which has a significant impact on the individuals concerned as well as creating legal, financial and reputational risk for Church.	• Appropriate oversight and staff roles for safeguarding matters. • DBS checks for all staff and volunteers who interact with children and vulnerable adults • Regular safeguarding training for all relevant individuals • Provision of adequate staff and volunteers to meet required supervision ratios in Kids & Youth • Development and communication of safeguarding policies • Development of fit-for-purpose reporting and record keeping systems
A staff member or volunteer is mistreated and has a negative impact on the individual, as well as resulting in legal, financial and reputational risk	• Provision and maintenance of appropriate role descriptions • Structured process for performance evaluation and promotion in place • Well-being framework beginning with a process and policy for access to health intervention services
A lack of physical security leads to loss of assets or injury or death of staff, volunteers and congregation	• Use of venue-provided security personnel and procedures • Liaison with Police in relation to key security concerns and/or major events • Event planning policies and procedures cover physical security requirements • Provision of staff or volunteers with appropriate training, as required
Damage to confidence of stakeholders caused by issues outside the UK, by UK staff or by UK volunteers or congregation results in loss of access to venues, financial stress and/or regulatory challenge	• Policy guidelines on employee conduct documented, communicated and followed • Staff and team leaders ensure appropriate selection of volunteers and volunteer training and supervision on an ongoing basis via team nights and other events • Policy in place and followed regarding staff recruitment process and ongoing performance evaluation

Additional risks are managed within the charity's risk framework.

Trustees' Report (Including Strategic Report) (continued)

Going concern

As discussed above, the impact of the global pandemic in 2020-2021, the general economic conditions in the UK, and the transition of Hillsong global senior leadership, have all had an impact on the charity. The main continuing risk to the charity from these items has been the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK including increased inflation levels, increased energy costs, increased interest rates and loss of income within the general population.

In response to this risk, the charity is taking the following steps:

- Reviewing and reducing all expenditure to essential items only. Major cost reductions have occurred over 2022 to reduce the cost structure of all activities for 2023.
- Significant negotiations with key suppliers to reduce costs and secure tenure in rented buildings.
- Continuing to offer opportunities to donate to unrestricted and restricted funds through online services, including the promotion of electronic methods for donations and regularly communicating to church congregation on activities.
- Detailed planning and financial forecasting for 2023 and beyond, including understand the capacity of reserves, cash position and options to reduce future costs.
- Disposal of non-core assets for reinvestment into core church building property assets.

The financial investment required in 2022 and the property acquisition meant cash reserves were utilised in part in the year. At the end of the year reserves remain adequate to settle liabilities as they fall due. The trustees have considered the period of at least 12 months from signing these accounts.

Given the charity's current ability to reduce costs and respond to income levels, its new strategy for 2023 and its retention of cash and property reserves, the trustees' are of the opinion that the charity can continue as a going concern.

The trustees, working closely with the members and management team, have in place the infrastructure to continue our mission to advance the Christian faith through growing the Church and maintaining our mission to London, the UK and other nations.

Trustees' statement of responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and group and of the income, expenditure and financial activities of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' Report (Including Strategic Report) (continued)

Auditors

RSM UK Audit LLP has expressed its willingness to continue in office.

Statement of disclosure to auditors

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and They have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The Trustees Report, which incorporates the Strategic Report has been approved by the Board of Trustees at its meeting on^{31/07/23}..... 2023 and signed on its behalf by:

Russell Dacre

.....
R Dacre
Chairman

Independent Auditor's report to the Members of Hillsong Church London

Opinion

We have audited the financial statements of Hillsong Church London (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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 of 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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 Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

Independent Auditor's report to the Members of Hillsong Church London (continued)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

Independent Auditor's report to the Members of Hillsong Church London

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations and Health and Safety. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and voluntary income and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and testing income through a combination of tests of control and tests of detail, including testing post year end receipts.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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 company's members, 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 charitable company's members 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 31/07/23

Statement of Financial Activities (incorporating an income and expenditure account)
For the Year Ended 31 December 2022

		2022			2021		
		Unrestricted funds £	Restricted funds £	Total £	Unrestricted funds £	Restricted funds £	Total £
Incoming resources							
Donations	3	9,345,356	762,041	10,107,397	10,928,624	968,375	11,896,999
Charitable activities	4	587,012	-	587,012	387,978	-	387,978
Investments		111	-	111	3,636	-	3,636
Other income	5	146,903	-	146,903	28,467	9,000	37,467
Total incoming resources		10,079,382	762,041	10,841,423	11,348,705	977,375	12,326,080
Resources expended							
Raising funds		251,178	-	251,178	3,172,446	-	3,172,446
Charitable activities	6	11,267,097	465,776	11,732,873	8,297,984	1,004,673	9,302,657
Total resources expended		11,518,275	465,776	11,984,051	11,470,430	1,004,673	12,475,103
Net movement in funds		(1,438,893)	296,265	(1,142,628)	(121,725)	(27,298)	(149,023)
Reconciliation of funds:							
Total funds brought forward	17	7,910,415	2,514,050	10,424,465	8,032,140	2,541,348	10,573,488
Total funds carried forward		6,471,522	2,810,315	9,281,837	7,910,415	2,514,050	10,424,465

The statement of financial activities includes all gains and losses in the year.

Statement of Financial Position as at 31 December 2022

		2022		2021
		£	£	£
Fixed assets				
Tangible assets	10		16,321,082	10,279,453
Current assets				
Stocks	11	42,248		68,837
Debtors	12	1,376,861		1,521,847
Cash at bank and in hand	13	755,558		3,726,273
Total Current assets		2,174,667		5,316,957
Liabilities				
Creditors: amounts falling due within one year	14	(2,743,084)		(1,777,624)
Net current (liabilities)/assets			(568,417)	3,539,333
Total assets less current liabilities			15,752,665	13,818,786
Creditors: Amounts falling due after more than one year	16		(6,470,828)	(3,394,321)
Net assets			9,281,837	10,424,465
The funds of the charity				
Restricted income funds	18	2,810,315		2,514,050
Unrestricted income funds		6,471,522		7,910,415
Total charity funds		9,281,837		10,424,465

Approved and authorised for issue by the trustees on 31/07/23 and were signed on its behalf by:

Russell Dacre

R Dacre
Director

The notes on pages 19 – 33 form part of these financial statements.
Company number: 05487537 (England and Wales)
Charity number: 1120355 (England and Wales)

Hillsong Church London
Year Ended 31 December 2022

Statement of Cash Flows
For the year ended 31 December 2022

		2022 £	2021 £
Cash (loss)/generated from operating activities	20	(68,306)	917,683
Cash flows from investing activities			
Interest income		111	3,636
Interest expenditure		(321,598)	(71,914)
Purchase of tangible fixed assets		(7,265,925)	(2,573,215)
Proceeds on disposal of tangible assets		443,091	84,449
Cash used in investing activities		(7,144,321)	(2,557,044)
Cash flows from financing activities			
Proceeds of new loans		4,574,030	2,250,000
Repayment of borrowings		(240,158)	(2,431,527)
Payment of obligations under finance leases		(91,959)	(111,535)
Cash used in financing activities		4,241,913	(293,062)
Decrease in cash and cash equivalents in the year		(2,970,715)	(1,932,423)
Cash and cash equivalents at the beginning of the year		3,726,273	5,658,696
Cash and cash equivalents at the end of the year	13	755,558	3,726,273

Notes forming part of the Financial Statements

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

General information

Hillsong Church London is a company limited by guarantee (Companies House No. 05487537) and a registered charity (Registered Charity No. 1120355). It is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 35 Little Russell Street, London, WC1A 2HH.

Basis of preparation

These Financial Statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Hillsong Church London meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £.

Going concern

As discussed above, the impact of the global pandemic in 2020-2021, the general economic conditions in the UK, and the transition of Hillsong global senior leadership, have all had an impact on the charity. The main continuing risk to the charity from these items has been the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK including increased inflation levels, increased energy costs, increased interest rates and loss of income within the general population.

The trustees consider the use of the going concern basis of accounting is appropriate. While there has been operating losses incurred in the current year, and while there is a general economic uncertainty within the UK, the trustees have considered the charity's ability to reduce costs, and remain of the opinion that the charity can continue as a going concern. The operating strategy for future years shows the charity's ability to reduce costs and respond to economic conditions.

There are no other material uncertainties related to events or conditions that may cast significant doubt about the ability of the Church to continue as a going concern.

Income

Donation income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the income can be reliably measured.

Income is received by way of donations, tithes and offerings and is included in full in the statement of financial activities when received. Donations arising under Gift Aid are accounted for on the date of receipt and provisions are made for income tax remaining unclaimed at the year end.

Income from charitable activities

Income from conferences, events, and sales of Christian resources are made in furtherance of the objects of the Church, and are accounted for when income is receivable.

Income received in advance of an event is deferred until the criteria for income recognition are met.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Investment income

Investment income relates to interest on funds held on deposit and is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the costs of commercial trading including venue premises, productions and their associated support costs.
- Expenditure on charitable activities includes, but is not limited to, the cost of conferences and events, resource sales, teaching and ministry, missions and governance.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Total expenditure includes the allocation of support costs to the various expenditure categories set out in the statement of financial activities. These support costs relate to the corporate functions including information technology, property and facilities management, human resources, finance and governance, in addition to the support costs incurred by communications and other centralised departments that are not otherwise directly allocated. Support costs have been allocated to activities based on the apportionment of time spent by employees in each category. This apportionment is calculated for each key employee department.

Governance costs represent costs from external service providers relating to the strategic management of the Church. While the trustees meet regularly on an informal and formal basis to discuss strategic and governance issues, the Church structure and involvement of the trustees in its day-to-day activities means that these meetings do not give rise to specific costs.

Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Church substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the life of the lease.

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to that fund.

Details of restricted funds are disclosed in note 18.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Donated goods

Donated goods for on-going use by a charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the statement of financial activities.

Donated goods held as tangible fixed assets are subject to depreciation and are assessed at the reporting date of whether there is any indication that the asset should be written down to its recoverable amount.

Unrestricted funds

Unrestricted funds are donations and other income received or generated for the objectives of the Church without further specified purpose and are available as general funds.

Tangible fixed assets

Fixed assets are for use by the Church in fulfilling its main charitable objectives and are capitalised and depreciated. Items under £1,000 are written off against income in the year of purchase.

Depreciation is charged at a rate to reduce useful economic lives of tangible fixed assets to £nil in accordance with the following policies:

Freehold buildings	- 2% reducing balance basis (10%-25% on property improvements)
Production equipment	- 10-33% straight line basis
Vehicles	- 33.3-50% straight line basis
Office equipment	- 20-33.3% straight line basis
Leasehold improvements	- 10-20% straight line basis

No depreciation is provided in respect of freehold land.

Impairment of fixed assets

A assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the charitable company estimates the recoverable amount of the asset.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and amounts due to fellow group undertakings are initially recognised at transaction price. The Charity has not entered into any financing transactions.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Derivatives

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

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Cash and cash equivalents

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

Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pensions

The church contributes to a defined contribution scheme with Scottish Widows in respect of staff. Contributions are charged to the income and expenditure account when payable. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors.

Grant income

The charity has chosen to include the Retail, Hospitality and Leisure grant fund (RHLGF) and the Mental Health and Emotional Wellbeing Council Grant in other income in its financial statements. In the prior year, the organisation availed itself of the Mental Health and Emotional Wellbeing Council Grant. During the period an amount of £Nil (2021: £15,754) was claimed under the schemes. This amount is reflected in other income on the face of the SOFA.

2. Judgement in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations for future events that are believed to be reasonable under the circumstances.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

Notes forming part of the Financial Statements (continued)

3. Incoming resources from donations

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Tithes & Offerings	7,819,477	762,041	8,581,518	9,148,244	968,375	10,116,619
Gift Aid Claimed	1,525,879	-	1,525,879	1,780,380	-	1,780,380
	<u>9,345,356</u>	<u>762,041</u>	<u>10,107,397</u>	<u>10,928,624</u>	<u>968,375</u>	<u>11,896,999</u>

4. Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Conferences and events	286,495	-	286,495	278,527	-	278,527
Resource sales	5,303	-	5,303	1,218	-	1,218
Music royalties receivable	9,329	-	9,329	4,586	-	4,586
Other income	108,567	-	108,567	103,647	-	103,647
Grant income	177,318	-	177,318	-	-	-
	<u>587,012</u>	<u>-</u>	<u>587,012</u>	<u>387,978</u>	<u>-</u>	<u>387,978</u>

5. Other income

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Profit on disposal of tangible fixed assets	146,903	-	146,903	21,713	-	21,713
Coronavirus Job Retention Scheme	-	-	-	6,754	-	6,754
Mental Health and Emotional Wellbeing Council Grant Scheme	-	-	-	-	9,000	9,000
	<u>146,903</u>	<u>-</u>	<u>146,903</u>	<u>28,467</u>	<u>9,000</u>	<u>37,467</u>

Hillsong Church London
Year Ended 31 December 2022

Notes forming part of the Financial Statements (continued)

6. Total resources expended

	Basis of allocation	Cost of raising funds	Conference and events	Resource sales	Teaching and ministry	Missions	Governance costs	Total 2022	Total 2021
	£	£	£	£	£	£	£	£	£
Staff costs	Direct	-	80,678	-	2,380,502	-	-	2,461,180	3,198,318
Venue costs	Direct	-	244,046	-	2,801,787	-	-	3,045,833	1,795,505
Production costs, equipment hire and transport costs	Direct	-	89,937	-	577,174	-	-	667,111	1,233,331
Ministry and mission expenses	Direct	-	50,647	-	1,312,829	389,791	-	1,753,267	2,594,116
Cost of sales	Direct	-	-	50,005	-	-	-	50,005	124,374
Support costs allocated to activities									
Staff costs	Staff time	99,596	194,357	16,599	748,463	39,872	15,142	1,114,029	1,033,384
Premises	Staff time	61,417	119,852	10,236	448,919	24,588	9,337	674,349	528,992
General management and office administration costs	Staff time	27,837	54,323	4,640	209,674	11,143	4,232	311,849	428,315
Communications and IT costs	Staff time	33,181	64,752	5,530	249,357	13,285	5,045	371,150	422,111
Audit fees	Direct	-	-	-	-	-	42,000	42,000	60,462
Accounting fees	Direct	-	-	-	-	-	47,624	47,624	59,488
Legal & Professional	Direct	-	-	-	-	-	57,472	57,472	35,500
Depreciation	Staff time	-	113,010	9,652	908,111	23,184	-	1,053,957	961,207
Interest	Staff time	29,147	56,880	4,858	219,044	11,669	-	321,598	-
Profit or loss on foreign exchange		-	-	-	12,628	-	-	12,628	-
		<u>251,178</u>	<u>1,068,481</u>	<u>101,519</u>	<u>9,868,488</u>	<u>513,532</u>	<u>180,852</u>	<u>11,984,051</u>	<u>12,475,103</u>

Expenditure on charitable activities was £11,732,873 (2021: £9,302,657), of which £11,267,097 was unrestricted (2021: £8,297,984) and £465,776 was restricted (2021: £1,004,673). Costs of raising funds in the year have been reallocated to Teaching and Ministry costs. In the prior year these costs were shown in costs of raising funds.

Notes forming part of the Financial Statements (continued)

7. Analysis of expenditure

	2022 £	2021 £
Auditors' remuneration - audit	42,000	35,500
Auditors' remuneration - other services	44,872	56,502
Depreciation		
Owned	1,018,182	951,115
Leased	35,775	10,092
Operating lease rentals	905,500	718,153
Profit on disposal of fixed assets	(146,903)	(21,713)

8. Analysis of staff costs and costs of key management personnel

	2022 £	2021 £
Wages and salaries	2,979,943	3,468,991
Social security costs	297,669	377,421
Pension costs	101,308	133,046
	3,378,920	3,979,458

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2021: £Nil). During the year two (2021: two) trustees received remuneration in respect of other services provided by them. The trustees' remuneration for the year was £60,903 (2021: £96,026). The trustees are responsible for governing the charity and directing how it is managed and run.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, which is comprised of the trustees and the management team as defined on page 3. The total employee benefits and remuneration of the key management personnel during the year, including employer NI, was £263,950 (2021: £303,378).

Notes forming part of the Financial Statements (continued)

8. Analysis of staff costs and costs of key management personnel (continued)

The average monthly number of employees during the year was as follows:

	2022	2021
	No	No
Lead Pastors	2	2
Pastoral, Missions and Ministries	37	46
Sunday Services	19	22
Conferences and events	3	4
Administration and support	22	26
	83	100

The number of employees whose employee benefits exceeded £60,000:

	2022	2021
	No	No
£130k - £140k	1	-
£100k - £110K	-	1
£90k - £100k	1	-
£80k - £90k	1	1
£70k - £80k	-	3
£60k - £70k	2	3
	5	8

Pensions contributions paid to higher paid staff during the year to 31 December 2022 were £23,448 (2021: £25,528)

9. Donated services and facilities

There are approximately in excess of 1,000 (2021: 1,000) unpaid volunteers involved in activities conducted or supported by Hillsong Church. The value to be placed on these resources cannot be reliably quantified and measured and is not therefore recognised in the statement of financial activities.

Notes forming part of the Financial Statements (continued)

10. Tangible fixed assets

	Freehold land and buildings £	Leasehold Improvement £	Production equipment £	Vehicles £	Office equipment £	Total £
Cost						
At 1 January 2022	8,301,485	1,329,791	6,245,059	349,537	1,476,621	17,702,493
Additions	7,066,269	12,365	234,640	19,328	59,172	7,391,774
Disposals	(209,496)	-	(226,778)	(47,974)	-	(484,248)
At 31 December 2022	15,158,258	1,342,156	6,252,921	320,891	1,535,793	24,610,019
Depreciation						
At 1 January 2022	923,940	572,393	4,436,236	327,495	1,162,976	7,423,040
Charge for the year	336,353	109,336	472,913	14,597	120,758	1,053,957
On disposals	(24,375)	-	(115,711)	(47,974)	-	(188,060)
At 31 December 2022	1,235,918	681,729	4,793,438	294,118	1,283,734	8,288,937
Net book value 31 December 2022	13,922,340	660,427	1,459,483	26,773	252,059	16,321,082
Net book value 31 December 2021	7,377,545	757,398	1,808,823	22,042	313,645	10,279,453

Barclays Bank Plc holds a first charge over all tangible fixed assets owned by The Church under mortgage at the year end.

Included in the total net book value of assets is £214,097 (2021: £87,155) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £35,775 (2021: £10,092).

11. Stocks

During the year, an impairment loss of £Nil (2021: £Nil) was recognised on stocks held.

12. Debtors

	2022 £	2021 £
Trade debtors	30,816	21,415.00
Gift Aid recoverable	152,947	58,987
Other debtors	329,242	236,691
Prepayments and accrued income	632,061	1,204,754
Derivative financial instrument	231,795	-
	1,376,861	1,521,847

The derivative financial instrument of £231,795 (2021: £Nil) represents a foreign currency forward contract which was converted from AUD to GBP.

Notes forming part of the Financial Statements (continued)

13. Cash at bank and in hand

	2022	2021
	£	£
Cash at bank	743,043	3,719,975
Cash in hand	12,515	6,298
	755,558	3,726,273

14. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loan	311,151	290,604
Obligations under finance leases	60,383	47,231
Trade creditors	449,590	893,512
Taxation and social security	404,743	110,636
Other creditors	28,752	55,163
Accruals and deferred income	788,465	380,478
Other loans	700,000	-
	2,743,084	1,777,624

A bank loan was obtained in July 2008 from Barclays Bank Plc over a 20 year term with 228 capital repayment instalments. The current repayments are £9,019 per month together with interest payments at the bank base rate plus 1.20%.

In October 2021 a loan obtained in August 2016 was repaid, and a new loan of £2,250,000 was obtained from Barclays Bank Plc over a 5 year term with 20 capital repayment instalments. The current repayments are £37,500 per quarter plus interest payments at the bank base rate plus 2.70%.

In October 2021, a second loan from August 2016 was repaid, and a further new loan was obtained from Barclays Bank Plc for £175,033 over a 5 year term with 20 capital repayment instalments. The current repayments are £2,967 per quarter plus interest payments at the bank base rate plus 2.70%.

In January 2022 a loan was obtained from ACC Directorate over a 3 year term on an interest only basis, for AUD \$6,881,047 (£3.6m). The initial rate of interest is 4.90% per annum.

Finance leases were taken out during prior years for motor vehicles with a term of 3 years and 35 capital repayment instalments, and production equipment with a term of 2 years and 24 capital repayment instalments. One finance lease was taken out in 2022 relating to motor vehicles, over a term of 5 years with 48 capital repayment instalments, and a further finance lease established in 2022 relating to production equipment, over a term of 3 years with 36 capital repayment instalments. Total current repayments in 2022 under finance leases are £67,312 (2021: £68,113) plus interest of £6,357 (2021: £8,059).

Included in other creditors above is £19,632 (2021: £22,001) owing to the pension fund.

Notes forming part of the Financial Statements (continued)

15. Deferred income

	2022 £	2021 £
At 1 January	802,828	759,248
Less amount released to income resources	(802,828)	(759,248)
Plus amount deferred in the year	512,917	802,828
At 31 December	512,917	802,828

As at 31 December 2022 and 31 December 2021 all deferred income relates to income received in advance of conferences and events to be held at a future date.

16. Creditors: amount falling due after more than one year

	2022 £	2021 £
Bank loan	2,534,474	2,811,320
Other loans	3,890,171	-
Obligations under finance leases	46,183	25,445
Accruals and deferred income	-	557,556
	6,470,828	3,394,321
Analysis of bank, other loans and finance leases:	2022 £	2021 £
Debt can be analysed as falling due		
In one year or less, or on demand	371,534	337,835
Between one and two years	334,751	318,746
Between two and five years	6,007,170	483,362
In five years or more	128,907	2,034,657
	6,842,362	3,174,600

Notes forming part of the Financial Statements (continued)

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2022 Total £	Unrestricted Funds £	Restricted Funds £	2021 Total £
Tangible fixed assets	13,848,507	2,472,575	16,321,082	8,753,078	1,526,375	10,279,453
Current assets	1,836,927	337,740	2,174,667	4,329,282	987,675	5,316,957
Current liabilities	(2,743,084)	-	(2,743,084)	(1,777,624)	-	(1,777,624)
Non-current liabilities	(6,470,828)	-	(6,470,828)	(3,394,321)	-	(3,394,321)
Fund Total	6,471,522	2,810,315	9,281,837	7,910,415	2,514,050	10,424,465
Reconciliation of funds						
Total funds brought forward at 1 January	7,910,415 (1,438,893)	2,514,050 296,265	10,424,465 (1,142,628)	8,032,140 (121,725)	2,541,348 (27,298)	10,573,488 (149,023)
Total funds carried forward at 31 December	6,471,522	2,810,315	9,281,837	7,910,415	2,514,050	10,424,465

18. Analysis of restricted income funds

Summary of the activity of the restricted funds for 2022 was as follows :

	Balance Brought forward 2022 £	Incoming resources £	Outgoing resources £	Depreciation £	Balance carried forward 2022 £
Spring the Trap	68,796	60,867	(50,066)	-	79,597
Because We Can	52,604	408,091	(211,650)	-	249,045
Building Fund	2,386,872	172,681	(10,319)	(76,660)	2,472,574
Youth Services	4,821	21,369	(20,847)	-	5,343
Love Your Neighbour	957	99,033	(96,234)	-	3,756
Total	2,514,050	762,041	(389,116)	(76,660)	2,810,315

Summary of the activity of the restricted funds for 2021 was as follows :

	Balance Brought forward 2021 £	Incoming resources £	Outgoing resources £	Depreciation £	Balance carried forward 2021 £
Spring the Trap	60,058	131,215	(122,477)	-	68,796
Because We Can	63,447	163,614	(174,457)	-	52,604
Building Fund	2,176,855	281,251	(36,754)	(34,480)	2,386,872
Youth Services	-	4,821	-	-	4,821
Love Your Neighbour	240,988	396,474	(636,505)	-	957
Total	2,541,348	977,375	(970,193)	(34,480)	2,514,050

Notes forming part of the Financial Statements (continued)

Analysis of restricted income funds (continued)

The major restricted funds comprise Hillsong Foundation Funds, including:

Spring The Trap

As 'Green Light' and other initiatives, funds are generated in order to provide care, compassion and support to people from all walks of life facing challenges in the local community.

Because We Can

Hillsong Church London collaborates with international social justice organisations as part of a global effort to make poverty history.

Building Fund

The Building Fund was set up using gifts specified to be used to acquire appropriate accommodation for the Church in the future, and to make improvements to church accommodation.

Youth Services

As the 'I Care Revolution' Hillsong delivers a strong message via schools to encourage people to start to take responsibility and care for others.

Love Your Neighbour

The Love Your Neighbour campaign exists to provide Covid-19 related relief, including provision of food supplies, financial and debt guidance and career advice.

19. Commitments

The total future minimum payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Operating leases which expire :		
Within one year	665,070	844,724
Between one and five years	1,842,839	2,124,598
In over five years	776,250	1,158,750
	3,284,159	4,128,072

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

	2022	2021
	£	£
Net movements in funds	(1,142,627)	(149,023)
Deduct interest income shown in investing activities	(111)	(3,636)
Add back interest expenditure shown in investing activities	321,598	71,914
Add back depreciation charges	1,053,957	961,207
Profit on disposal of tangible asset	(146,903)	(21,713)
Decrease in stocks	26,589	21,277
Decrease in debtors	144,986	703,612
Decrease in creditors	(325,795)	(665,955)
Net cash provided by operating activities	(68,306)	917,683

Notes forming part of the Financial Statements (continued)

21. Analysis of changes in net funds

	At start of year	Cash flows	New finance leases	At end of year
	£	£	£	£
Cash at bank and in hand	3,726,273	(2,970,715)	-	755,558
Borrowings excluding overdrafts	(3,101,924)	(4,333,872)	-	(7,435,796)
Obligations under finance leases	(72,676)	91,959	(125,849)	(106,566)
	<u>551,673</u>	<u>(7,212,628)</u>	<u>(125,849)</u>	<u>(6,786,804)</u>

22. Related party transactions

Hillsong NL, Hillsong Espana and Hillsong Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £23,578 (2021: £291) with Hillsong NL. This consists of £Nil (2021: £282) paid on behalf of Hillsong NL for events held by Hillsong London, donations received of £23,758 (2021: £Nil) and costs reimbursed of £Nil (2021: £573) paid to Hillsong NL in the year. There were costs of £Nil (2021: £Nil) paid on behalf of Hillsong Espana. There were also costs of £2,712 (2021: £3,637), tithes and offerings of £2,204 (2021: £4,112) and sale of teaching resources of £Nil (2021: £59) on behalf of Hillsong Italia. There was also donations received of £1,498 from Hillsong Italia (2021: £Nil).

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2021: £Nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. The trustees' remuneration for these items for the year was £60,093 (2021: £96,026), remunerated to the following trustees:

	2022 £	2021 £
Ray Newton: Salary including NI - Legal Counsel	26,811	28,145
David Whitewood: Salary including NI	34,092	67,881
	<u>60,903</u>	<u>96,026</u>
Total	60,903	96,026

There were no other outstanding balances with related parties as at 31 December 2022 (2021: £Nil).

Notes forming part of the Financial Statements (continued)

23. Taxation

The charity is exempt from tax on income and gains falling within part II of the Corporation Taxes Act 2010 or section 256 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objectives.

24. Controlling party

The company is limited by guarantee and does not have share capital. No one individual member has control.

Accounts

COMPANY NUMBER: 05487537 (England and Wales)

CHARITY NUMBER: 1120355 (England and Wales)

HILLSONG CHURCH LONDON

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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Reference and Administrative Information

Registered office and advisors

Hillsong Church London ("The Church") is a company limited by guarantee (Company No: 05487537)

Registered Charity Number 1120355

Registered Office Hillsong Church London
425 New Kings Road
Fulham
London
SW6 4RN

Company Secretary R Newton

Trustees R Dacre (Chairman)
J Lestz
R Newton
Dr S Wilson
E Simmons
D Whitewood
C Okeke
U Obi
D Bagheri

Management Team G J Clarke (Senior Pastor and Chief Executive Officer, resigned 30 April 2021)
T Douglass (Senior Pastor and Chief Executive Officer, appointed 5 May 2021)
A Spies (Chief Financial Officer)

Bankers Barclays Bank plc
126 Station Road
Edgware
Middlesex
HA8 7RY

Auditors RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitors Bates Wells & Braithwaite
10 Queen Street Place
London
EC4R 1BE

Trustees' Report (Including Strategic Report)

The Trustees, who are also Directors of the company for Companies Act purposes, present their report for the year ended 31 December 2021.

Objectives and Activities

Principal aims and objectives

The principal aim and objective of Hillsong Church London ("the Church") is that of advancement of the Christian faith for the benefit of the public in the UK, Europe and elsewhere by the pronouncement of the Gospel of Jesus Christ in accordance with the Statement of Faith referred to in the company constitution.

Strategy

Our strategy in achieving these objectives has remained constant since the Church was first established:

1. To take the truth of the Gospel and teachings of the Christian faith and communicate them in the language and style of today's culture.
2. To build a large Christ centred Bible-based church headquartered in London, able to serve the Greater London area, the UK and Europe.
3. To engage all members of the Church to:
 - i. Be relationally connected in a Small Group in the life of the Church.
 - ii. Serve in some capacity, adding to the health, life and expression of the Church.
 - iii. Be involved in some form of personal social justice.
 - iv. Sustain one thing to help someone break out of the cycle of injustice.
 - v. Take personal responsibility to encourage people in their day to day life to become part of the expression and life of the Church.
 - vi. Personally study and to journal.
 - vii. Contribute financially.

Principal Activities

This past year has seen a continuation of our principal activities however the format of these activities has changed due to the significant impact of the Covid-19 pandemic and related control measures in the UK and around the world.

On 23 March, 2020 the UK Government announced various control measures in response to the Covid-19 which impacted the charity. The main impact of these measures was the restriction of the principal activity of regular Sunday church services. From this date, regular services and any other gatherings, including small groups, was not permitted to proceed.

In 2021 the main impact of Covid-19 related restrictions continued to be the inability to hold any services or events in person. Accordingly, all church services and activity continued to be broadcast on several online platforms. Commencing in June 2021 and in line with UK Government restrictions at the time, physical meetings re-commenced, starting with Sunday church services. Hillsong was able to return to the majority of venues and locations as had operated pre-Covid, and saw increasing numbers of attendees return to services since launch.

The charity has been able to continue to respond to changing needs of communities as a result of Covid-19 and control measures. Significant programs in 2021 included Love Your Neighbour and continued support for refugees and asylum seekers.

The principal activities of the church continued to be:

1. In line with changing control measures, the re-start of regular Sunday church services and children's activities around the UK based in:
 - a. Central London at the Dominion Theatre.
 - b. South East London, at hired premises
 - c. Guildford, Surrey at G-Live.
 - d. Tonbridge, Kent at The River Centre.
 - e. Oxford, Oxfordshire at the Odeon Theatre
 - f. Newcastle-Upon-Tyne at Westgate Hall.
 - g. North London at the Bernie Grant Arts Centre.
 - h. Edinburgh, Scotland at the Rose Theatre
 - i. Liverpool at various locations within the city.

Trustees' Report (Including Strategic Report) (continued)

- j. Birmingham at various locations within the city.
- k. Croydon, London at Fairfield Hall.
- l. Reading, Berkshire at the Reading Minster.
2. Within control measures, weekly church services broadcast on various platforms including content for the church members in the UK and specific content for youth and kids. Online content continues to be broadcast even as physical services restarted.
3. Mid-week home-based Small Groups across the UK. These groups continued under control measures, with groups and communities continuing to meet virtually, or in person if possible.
4. Regular Youth and Young Adults services and activities at various locations in London, Guildford and Tonbridge and Oxford when possible. Under control measures, groups met virtually or outdoors if permissible. Online content was produced for youth and kids ministries.
5. Youth Ministry, particularly to students in High Schools in the Greater London area.
6. Leadership training seminars and Evening College classes. This activity continued online.
7. Women's Ministry including seminars and events.
8. Distribution of relief to people in need of emergency assistance for matters such as accommodation, food vouchers, counselling, travel, rental arrears and home repairs.
9. Continued a major community program, Love Your Neighbour, together with other churches across the UK, providing emergency food assistance, financial education and career and job assistance to those impacted by the pandemic. Over 23,000 food hampers were delivered across the UK as part of this programme.
10. Support for programs for the relief of poverty in Uganda (Watoto), and in India (Vision Rescue). In addition, partnership with Compassion, sponsoring children in Uganda and other countries, and partnership with The A21 Campaign, a charity registered in England.
11. Support for local ministry to the homeless, including provision and maintenance of 'Green Light' medical vans to provide assistance to the homeless in London. The Green Light activity was able to support additional programs in 2021 including medical support to Asylum Seekers arriving in UK, and provision of vaccination programs.
12. Ministry to the Elderly in the community including regular volunteer teams assisting at local centres where possible.
13. Support for the needs of refugees in the UK and Europe, including collection of clothing items, assistance with practical settlement help, and provision of English programs.
14. Football programs and workshops for Refugee youth, including weekly football sessions.
15. A Christmas event that was due to be held at the SSE Arena, Wembley with a large Christmas production open to all areas of the community. This event was unfortunately cancelled the day before due to Covid-19 cases.
16. A performing arts academy held on Saturdays including dance, vocals acting and music classes for ages 4-21. This was held in a combination of in person and online classes.
17. A Heart for the House annual offering, part of which was used to support charitable programs including social justice causes.
18. Support to other Churches and Ministries in the UK, and Europe.

New activities & initiatives commenced in the year focused on the restart of in-person activities, and the emerging needs in the community. These included the following:

1. Launch of full services at a new location in Reading, Berkshire.
2. Increased and diversified activity of our Green Light teams including providing including provision of Asylum Seeker Initial Health Screens in partnership with NHS, and participation in GLA rough sleeper programs.
3. Acquisition of properties for use as part of the charity's participation in the UK Community Sponsorship Scheme.
4. New activity under Asylum Seeker programs including provision for clothing and school uniforms, support for new programs for Afghan refugees, and additional Christmas gift programmes.

With a return to activity at a scope reduced from pre-Covid activities, approximately 1,000 volunteers continued to be involved in activities conducted or supported by Hillsong Church including:

- Running Sunday services in London, Guildford, Tonbridge, Oxford, Newcastle, Edinburgh, Liverpool, Birmingham and Reading.
- Producing and organising online services and other online content.
- Leading Small Groups in Greater London, Surrey, Kent, Oxford, Newcastle, Edinburgh, Liverpool, and Birmingham.
- Running women's ministries in London Greater London, Surrey, Kent, Oxford and Newcastle.

Trustees' Report (Including Strategic Report) (continued)

- Leading youth ministries in Greater London, Surrey, Kent, Oxford and Newcastle.
- Helping the homeless in London by travelling with the Green Light van seven days per week.
- Participating in activities supporting refugees including running community based workshops and activities and distribution of clothing and other items.
- Assisting in the outworking of the Love Your Neighbour program including leading courses, distributing food support and managing collection of items.

In the consideration of all activities undertaken the trustees have had regard to the public benefit guidance published by The Charity Commission.

Achievements and performance

In prior years, achievement and performance has been primarily measured against targets for financial growth, by the increased number of attendees at Sunday services and other gatherings, and by the number of members volunteering.

With Covid-19 control measures in place, Sunday services, our regular conferences and any other gatherings were not able to proceed. Therefore, the measurement of the Church's impact and achievements was focussed on online engagement to services and other content, as well as the number of mid-week groups. In the period since ceasing services, numbers of people engaged in Sunday online services has remained consistent, and during the year the number of mid-week groups meeting increased.

Achievements in the areas of social justice activity increased, with an increase in the number of individuals assisted and the number of new programmes launched.

The Covid-19 control measures in the UK continue to have an impact on the charity's activities. This impact is discussed below. In 2022 Hillsong globally announced a transition of senior leadership, however there is no change to Hillsong Church London's objectives as a result of this. The general economic conditions in the UK may have an impact on the charity, however these items are managed within our risk framework. To our knowledge, there are no other internal or external factors that will significantly prevent us from achieving our future objectives.

Financial review

Balance sheet funds stood at £10,424,465 (2020: £10,573,488) comprising Restricted Funds of £2,514,050 (2020: £2,541,348) and Unrestricted Funds of £7,910,415 (2020: £8,032,140).

During this financial year, the charity made a net deficit of £149,023. This was a decrease from 2020 where a surplus of £2,161,620 was made. The 2020 financial results were a result of many costs reducing significantly under Covid-19 control measures.

The charity's main source of income continues to be donations from church members.

Governance costs represent less than 1% of total resources expended.

During Covid-19 control measures, the charity was able to reduce costs to offset the reduction in income during the year. In 2021 the surplus created in prior years was utilised in part to invest into the cost of returning to regular activity when regulations allowed. In spite of the challenges of 2021, the charity has been able to manage to maintain a satisfactory financial position.

Reserves policy

The charity had reserves of £10,424,465 at 31 December 2021. Of the total reserves of £10,424,465 an amount of £2,514,050 is considered restricted funds. Restricted funds relate to the Hillsong Building Fund, Spring the Trap (Green Light) funds and other social justice funds which are received and passed on to partner organisations.

The total unrestricted reserves of £7,910,415 consists of £2,738,598 in cash, with the remainder represented by fixed assets of £8,753,078, other current assets of £1,590,684 less creditors of £5,171,945. The total restricted reserves of £2,514,050 consists of £987,675 in cash, with the remainder represented by fixed assets.

In 2021 the reserves policy was refreshed and stipulated a goal of holding unrestricted cash equal to three months of staffing costs and debt repayments, equal to approximately £1m. It was acknowledged that in the season of investment into returning to activities post Covid-19 restrictions, and when building costs were needed, it would be acceptable to hold reserves below this amount at this time.

Trustees' Report (Including Strategic Report) (continued)

The planning for future years includes plans to reduce costs and grow income to allow for increased unrestricted surplus funds to contribute to unrestricted reserves. In the opinion of the trustees, the current unrestricted assets of £4,329,282 represent a cash or cash equivalent reserve of sufficient levels, with saleable fixed assets representing a further capacity for reserve cash if it was required.

Plans for future years

Our mission and objectives for the future remain the same as outlined earlier, that is, to continue to communicate the Gospel of Jesus Christ.

Our objectives for the future are to build on the growth experienced and see a substantial increase in the number of people establishing a personal relationship with the Lord Jesus Christ. This objective will be fulfilled by creating additional capacity for Sunday services in existing and new locations. We also seek to see increasing numbers of people actively involved in Church life by attending Small Groups or being involved in our volunteer teams and other activities.

We will continue hosting our conferences in future years. Our plan is that these conferences will reach a wider cross section of church leaders and team members from across Europe and other nations inspiring them to keep building their local church and making a positive difference in their world.

We will continue to provide opportunities for designated giving towards specific projects, which we will partner within the UK and overseas. Our aim is for every member of the Church to do at least one thing, and sustain it, which helps someone else break the cycle of poverty.

We aim to help people in our Church become mature Christians, through a clear understanding of the Bible and how it applies to their life.

The control measures imposed by the UK Government in response to the Covid-19 has a significant impact on the charity and its plans for the future. As at the current date there are no longer restrictions on holding services which means we will continue to hold Sunday church services in our venues in the future. A significant change during Covid-19 restrictions has been the increase of online meetings and content. This will continue in the future which allows individuals in the church increased options to engage with church services and other events. Online formats have been successful and will continue to be used for any other meetings where it is appropriate. The conferences for 2022 will be held as online events, or postponed until future years, depending on continued restrictions, travel options and financial position.

The activity to support those in need of emergency assistance, homeless in the UK, elderly in the community and refugees in the UK has continued. The charity has been able to respond quickly and effectively to the needs of the community and in particular, the work to support Refugees and Asylum Seekers will continue to grow in future years. Other programs such as Love Your Neighbour which commenced during the pandemic will continue.

The financial implications of the charity's future plans are discussed below.

During 2020 Hillsong began actively searching for a substantial property purchase in London. On 12 January 2022 Hillsong Church London acquired new property asset in North London for the price of £6.8 million. This was funded by a combination of cash reserves and debt secured against the property.

Structure, governance and management

Day to day management is vested in the management team led by the senior pastor.

Hillsong Church London is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 425 New Kings Road, Fulham, London, SW6 4RN.

The trustees have delegated all aspects of decision making to the management team.

The charity is affiliated with other Hillsong churches across the world including in Australia, South Africa, the U.S.A., South America, Europe and has established churches in the Netherlands, Spain and Italy.

The trustees have had due regard to the public benefit guidance published by the Charity Commission. The current Trustee body is diverse and dynamic and has the knowledge and skills required to ensure due diligence for the organisation. The board constitutes of nine trustees, seven who are locally based, one in Europe who travels to the UK regularly. Information on each of the trustees is included below:

Trustees' Report (Including Strategic Report) (continued)

- A Chartered Accountant and former senior financial manager with a major international insurance broker based in the UK, having over 30 years financial experience in a number of organisations both in the UK and overseas.
- A Managing Director of an automotive sales group, and the chairman of a charity focussed on youth activities, with extensive experience in the development, operation and management of youth based charities.
- A former National Chairman and Managing Partner of a major Australian national law firm, with extensive experience advising churches, educational institutions and charities.
- A CEO of a company which provides financial advice and is regulated by the Financial Conduct Authority, with extensive management and financial experience.
- A senior executive at a digital bank with experience in Transformation Director and Chief Operating Officer roles within large commercial and retail banks.
- A church management and leadership specialist, who travels regularly throughout Europe, Asia and the U.S.A. presenting to churches on management and at leadership seminars and has a Doctorate of Ministry in Church Administration.
- A partner of a London law firm specialising in Residential Property with extensive experience in volunteer leadership roles within church.
- An executive of a creative industries venture, with experience in managing and developing both private and social enterprises, including developing and overseeing community development programs.
- An investment banker at a large international investment bank, with experience in church roles including youth leadership.

The Trustees are provided with a Trustee Induction Pack with information on the organisation, the Trustees' role in relation to governance and their responsibilities under Charity Law.

Consideration for appointment of new trustees usually arises when new ventures or challenges are facing the Charity, all Trustees are at liberty to make recommendations to the Chairman and the Management, in discussion with the Chairman, also make recommendations to the Trustees. The trustees, after completion of due diligence, in turn make recommendations to the members, for appointment by resolution. New Trustees are selected giving regard to independence and maintaining a diverse group of skills and experience.

The remuneration of key management personnel is reviewed by the Chairman and two other trustees each year. Consideration is given to equivalent salaries of similar positions within the marketplace, using published salary information. In 2021 a Remuneration Committee was established to increase governance in this area, which will be operational in 2022.

Related parties

Hillsong NL, Hillsong Espana and Hillsong Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £291 (2020: £20,560) with Hillsong NL. This consists of £282 (2020: £20,560) paid on behalf of Hillsong NL for events held by Hillsong London and costs reimbursed of £573 (2020: £Nil) paid to Hillsong NL in the year. There were costs of £Nil (2020: £Nil) paid on behalf of Hillsong Espana. There were also costs of £3,637 (2020: £49,761), tithes and offerings of £4,112 (2020: £45,292) and sale of teaching resources of £59 (2020: £Nil) on behalf of Hillsong Italia. There were no donations received from related parties (2020: £nil).

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2020: £nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. The trustees' remuneration for these items for the year was £96,026 (2020: £83,886).

Risk management

The Church is a fit for purpose organisational structure, Company Limited by Guarantee.

Both the risks and systems are regularly reviewed with a risk register maintained by the trustees. The risk register presents the principal risks facing the Church in the following categories:

- Facilities
- Operational
- Human Resources
- Security

Trustees' Report (Including Strategic Report) (continued)

- Fraud
- Financial
- IT, Data and Cyber
- Public Relations
- Legal and Regulatory

These risks have been mitigated, with action taken, including the following:

- Separation of authority to approve significant financial decisions
- Regular reporting of areas of risk to the trustees. This reporting includes the operation of a risk log, risk rating matrix and regular reporting of metrics for risk management
- Engagement of external consultants to advise on significant issues
- Regular review of policies and procedures

A summary of those risks considered to have a very high maximum potential for impact as per the risk log is including below:

Potential Risk	Risk mitigation controls
Loss of, or significant disruption of key venue, leading to increased costs, reduced congregation, strain on human resources and reduced ability to meet Church objectives	• Identification of alternative venues for all key sites • Maintenance of strong relationships with landlords • The ability to stream online services • Develop and establish a strong groups culture • Activity seek options to acquire or lease permanent venues
A lack of control or poorly designed procedures leads to a safeguarding issue which has a significant impact on the individuals concerned as well as creating legal, financial and reputational risk for Church.	• Appropriate oversight and staff roles for safeguarding matters. • DBS checks for all staff and volunteers who interact with children and vulnerable adults • Regular safeguarding training for all relevant individuals • Provision of adequate staff and volunteers to meet required supervision ratios in Kids & Youth • Development and communication of safeguarding policies
A staff member or volunteer is mistreated and has a negative impact on the individual, as well as resulting in legal, financial and reputational risk	• Provision and maintenance of appropriate role descriptions • Structured process for performance evaluation and promotion in place • Well-being framework beginning with a process and policy for access to health intervention services
A lack of physical security leads to loss of assets or injury or death of staff, volunteers and congregation	• Use of venue-provided security personnel and procedures • Liaison with Police in relation to key security concerns and/or major events • Event planning policies and procedures cover physical security requirements • Provision of staff or volunteers with appropriate training, as required
Damage to confidence of stakeholders caused by issues outside the UK, by UK staff or by UK volunteers or congregation results in loss of access to venues, financial stress and/or regulatory challenge	• Policy guidelines on employee conduct documented, communicated and followed • Staff and team leaders ensure appropriate selection of volunteers and volunteer training and supervision on an ongoing basis via team nights and other events • Policy in place and followed regarding staff recruitment process and ongoing performance evaluation

Additional risks are managed within the charity's risk framework.

Trustees' Report (Including Strategic Report) (continued)

Going concern

As discussed above, the UK Government's Covid-19 control measures, and particularly the restrictions on public gatherings, has had an impact on the charity. The main impact was the inability to hold any gatherings, including Sunday services and large conferences, until mid 2021. The main risk to the charity from this action was the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK, inflation levels and loss of income within the general population.

In response to this risk, the charity took and in 2022 continues to take the following steps:

- Reviewing and reducing all expenditure to essential items only
- Liaising with venue suppliers for postponement and / or refund of prepaid costs and contracted liabilities
- Continuing to offer opportunities to donate to unrestricted and restricted funds through online services, including the promotion of electronic methods for donations and regularly communicating to church congregation on activities.
- Detailed planning and financial forecasting for 2022 and beyond, including understand the capacity of reserves, cash position and options to reduce future costs.

The financial investment required in 2021 and the preparation for property acquisition meant cash reserves were utilised in part in the year. At the end of the year cash reserves remain adequate to settle liabilities as they fall due. The trustees have considered the period of at least 12 months from signing these accounts.

Given the charity's current ability to reduce costs and respond to income levels and its retention of cash reserves, the trustees' are of the opinion that the charity can continue as a going concern.

The trustees, working closely with the members and management team, have in place the infrastructure to continue our mission to advance the Christian faith through growing the Church and maintaining our mission to London, the UK and other nations.

Trustees' statement of responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and group and of the income, expenditure and financial activities of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

RSM UK Audit LLP has expressed its willingness to continue in office.

Trustees' Report (Including Strategic Report) (continued)

Statement of disclosure to auditors

- a) So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and
- b) They have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The Trustees Report, which incorporates the Strategic Report has been approved by the Board of Trustees at its meeting on.....31..May..... 2022 and signed on its behalf by:


.....

R A Newton
Director

Independent Auditor's report to the Members of Hillsong Church London

Opinion

We have audited the financial statements of Hillsong Church London (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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 of 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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 Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

Independent Auditor's report to the Members of Hillsong Church London (continued)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

Independent Auditor's report to the Members of Hillsong Church London

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations and Health and Safety. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and voluntary income and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and testing income through a combination of tests of control and tests of detail, including testing post year end receipts.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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 company's members, 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 charitable company's members 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 22 June 2022

Statement of Financial Activities (incorporating an income and expenditure account)
For the Year Ended 31 December 2021

		2021			2020		
		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	Notes	£	£	£	£	£	£
Incoming resources							
Donations	3	10,928,624	968,375	11,896,999	13,093,390	1,076,446	14,169,836
Charitable activities	4	387,978	-	387,978	355,406	-	355,406
Investments		3,636	-	3,636	3,835	-	3,835
Other income	5	28,467	9,000	37,467	174,311	-	174,311
Total incoming resources		<u>11,348,705</u>	<u>977,375</u>	<u>12,326,080</u>	<u>13,626,942</u>	<u>1,076,446</u>	<u>14,703,388</u>
Resources expended							
Raising funds	6	3,172,446	-	3,172,446	3,179,777	-	3,179,777
Charitable activities	6	8,297,984	1,004,673	9,302,657	8,636,727	725,264	9,361,991
Total resources expended		<u>11,470,430</u>	<u>1,004,673</u>	<u>12,475,103</u>	<u>11,816,504</u>	<u>725,264</u>	<u>12,541,768</u>
Net movement in funds		(121,725)	(27,298)	(149,023)	1,810,438	351,182	2,161,620
Reconciliation of funds:							
Total funds brought forward	17	8,032,140	2,541,348	10,573,488	6,221,702	2,190,166	8,411,868
Transfer of funds	17	-	-	-	-	-	-
Total funds carried forward		<u>7,910,415</u>	<u>2,514,050</u>	<u>10,424,465</u>	<u>8,032,140</u>	<u>2,541,348</u>	<u>10,573,488</u>

The statement of financial activities includes all gains and losses in the year.

Statement of Financial Position as at 31 December 2021

		2021	2020
	Note	£	£
Fixed assets			
Tangible assets	10	10,279,453	8,614,232
Current assets			
Stocks	11	68,837	90,114
Debtors	12	1,521,847	2,225,459
Cash at bank and in hand	13	3,726,273	5,658,696
Total Current assets		5,316,957	7,974,269
Liabilities			
Creditors: amounts falling due within one year	14	(1,777,624)	(4,705,782)
Net current assets		3,539,333	3,268,487
Total assets less current liabilities		13,818,786	11,882,719
Creditors: Amounts falling due after more than one year	16	(3,394,321)	(1,309,231)
Total Net assets		10,424,465	10,573,488
The funds of the charity			
Restricted income funds	18	2,514,050	2,541,348
Unrestricted income funds		7,910,415	8,032,140
Total charity funds		10,424,465	10,573,488

Approved and authorised for issue by the trustees on 31 May 2022..... and were signed on its behalf by:


.....
R A Newton
Director

The notes on pages 18 – 31 form part of these financial statements.
Company number: 05487537 (England and Wales)
Charity number: 1120355 (England and Wales)

Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash generated from operating activities	20	917,683	2,804,459
Cash flows from investing activities			
Interest income		3,636	3,835
Interest expenditure		(71,914)	(85,039)
Purchase of tangible fixed assets		(2,573,215)	(946,482)
Proceeds on disposal of tangible assets		84,449	34,853
Cash used in investing activities		(2,557,044)	(992,833)
Cash flows from financing activities			
Proceeds of new loans		2,250,000	-
Repayment of borrowings		(2,431,527)	(237,090)
Payment of obligations under finance leases		(111,535)	(66,193)
Cash used in financing activities		(293,062)	(303,283)
Increase in cash and cash equivalents in the year		(1,932,423)	1,508,343
Cash and cash equivalents at the beginning of the year		5,658,696	4,150,353
Cash and cash equivalents at the end of the year	13	3,726,273	5,658,696

Notes forming part of the Financial Statements

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

General information

Hillsong Church London is a company limited by guarantee (Companies House No. 05487537) and a registered charity (Registered Charity No. 1120355). It is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 14 October 2021. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 425 New Kings Road, Fulham, London, SW6 4RN.

Basis of preparation

These Financial Statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Hillsong Church London meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £.

Going concern

As discussed in the trustees' report, the UK Government's Covid-19 control measures, and particularly the restrictions on public gatherings, has had an impact on the charity. The main impact has been the inability to hold any gatherings, including Sunday services and large conferences until mid-2021. The main risk to the charity from this action is the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK, inflation levels and loss of income within the general population.

In the event of restrictions being lifted on church gatherings, the risk remained primarily financial, in that costs of activities would return, but income would remain lower than at pre Covid-19 levels.

The trustees consider the use of the going concern basis of accounting is appropriate. While there is a general economic uncertainty within the UK, the trustees have considered the charity's ability to reduce costs, and remain of the opinion that the charity can continue as a going concern. While there is a significant asset purchase in early 2022, this will enable the charity to increase activity and reduce other operating costs. There are no other material uncertainties related to events or conditions that may cast significant doubt about the ability of the Church to continue as a going concern.

Income

Donation income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the income can be reliably measured.

Income is received by way of donations, tithes and offerings and is included in full in the statement of financial activities when received. Donations arising under Gift Aid are accounted for on the date of receipt and provisions are made for income tax remaining unclaimed at the year end.

Income from charitable activities

Income from conferences, events, and sales of Christian resources are made in furtherance of the objects of the Church, and are accounted for when income is receivable.

Income received in advance of an event is deferred until the criteria for income recognition are met.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Investment income

Investment income relates to interest on funds held on deposit and is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the costs of commercial trading including venue premises, productions and their associated support costs.
- Expenditure on charitable activities includes, but is not limited to, the cost of conferences and events, resource sales, teaching and ministry, missions and governance.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Total expenditure includes the allocation of support costs to the various expenditure categories set out in the statement of financial activities. These support costs relate to the corporate functions including information technology, property and facilities management, human resources, finance and governance, in addition to the support costs incurred by communications and other centralised departments that are not otherwise directly allocated. Support costs have been allocated to activities based on the apportionment of time spent by employees in each category. This apportionment is calculated for each key employee department.

Governance costs represent costs from external service providers relating to the strategic management of the Church. While the trustees meet regularly on an informal and formal basis to discuss strategic and governance issues, the Church structure and involvement of the trustees in its day-to-day activities means that these meetings do not give rise to specific costs.

Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Church substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the life of the lease.

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to that fund.

Details of restricted funds are disclosed in note 18.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Unrestricted funds

Unrestricted funds are donations and other income received or generated for the objectives of the Church without further specified purpose and are available as general funds.

Tangible fixed assets

Fixed assets are for use by the Church in fulfilling its main charitable objectives and are capitalised and depreciated. Items under £1,000 are written off against income in the year of purchase.

Depreciation is charged at a rate to reduce useful economic lives of tangible fixed assets to £nil in accordance with the following policies:

Freehold buildings	- 2% reducing balance basis (10%-25% on property improvements)
Production equipment	- 10-33% straight line basis
Vehicles	- 33.3-50% straight line basis
Office equipment	- 20-33.3% straight line basis
Leasehold improvements	- 10-20% straight line basis

No depreciation is provided in respect of freehold land.

Donated goods

Donated goods for on-going use by a charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the statement of financial activities.

Donated goods held as tangible fixed assets are subject to depreciation and are assessed at the reporting date of whether there is any indication that the asset should be written down to its recoverable amount.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the charitable company estimates the recoverable amount of the asset.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. The Charity has not entered into any financing transactions.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Cash and cash equivalents

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

Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pensions

The church contributes to a defined contribution scheme with Scottish Widows in respect of staff. Contributions are charged to the income and expenditure account when payable. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors.

Grant income

The charity has chosen to include the Covid-19 Job Retention Scheme grant, the Retail, Hospitality and Leisure grant fund (RHLGF) and the Mental Health and Emotional Wellbeing Council Grant in other income in its financial statements. In the prior year, the organisation availed itself of the furlough scheme and the RHLGF scheme introduced by the government in light of the Covid-19 pandemic, and in the current year the organisation availed itself of the furlough scheme and the Mental Health and Emotional Wellbeing Council Grant. During the period an amount of £15,754 (2020: £174,311) was claimed under the schemes. This amount is reflected in other income on the face of the SOFA.

2. Judgement in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations for future events that are believed to be reasonable under the circumstances.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

Notes forming part of the Financial Statements (continued)

3. Incoming resources from donations

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Tithes & Offerings	9,148,244	968,375	10,116,619	10,995,377	1,076,446	12,071,823
Gift Aid Claimed	1,780,380	-	1,780,380	2,098,013	-	2,098,013
	<u>10,928,624</u>	<u>968,375</u>	<u>11,896,999</u>	<u>13,093,390</u>	<u>1,076,446</u>	<u>14,169,836</u>

4. Income from charitable activities

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Conferences and events	278,527	-	278,527	141,504	-	141,504
Resource sales	1,218	-	1,218	16,265	-	16,265
Music royalties receivable	4,586	-	4,586	6,044	-	6,044
Other income	103,647	-	103,647	191,593	-	191,593
	<u>387,978</u>	<u>-</u>	<u>387,978</u>	<u>355,406</u>	<u>-</u>	<u>355,406</u>

5. Other income

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Profit on disposal of tangible fixed assets	21,713	-	21,713	-	-	-
Coronavirus Job Retention Scheme	6,754	-	6,754	149,311	-	149,311
Retail, Leisure and Hospitality Grant Scheme	-	-	-	25,000	-	25,000
Mental Health and Emotional Wellbeing Council Grant Scheme	-	9,000	9,000	-	-	-
	<u>28,467</u>	<u>9,000</u>	<u>37,467</u>	<u>174,311</u>	<u>-</u>	<u>174,311</u>

Notes forming part of the Financial Statements (continued)

6. Total resources expended

	Basis of allocation	Cost of raising funds £	Conference and events £	Resource sales £	Teaching and ministry £	Missions £	Governance costs £	Total 2021 £	Total 2020 £
Costs directly allocated to activities									
Staff costs	Direct	-	117,453	-	3,080,865	-	-	3,198,318	3,547,766
Venue costs	Direct	1,666,405	128,800	-	300	-	-	1,795,505	1,542,360
Production costs, equipment hire and transport costs	Direct	812,487	398,084	-	22,760	-	-	1,233,331	911,880
Ministry and mission expenses	Direct	120,046	82,292	-	1,437,271	954,507	-	2,594,116	2,734,336
Cost of sales	Direct	-	-	124,374	-	-	-	124,374	174,020
Support costs allocated to activities									
Staff costs	Staff time	72,894	168,963	12,149	737,464	31,811	10,103	1,033,384	951,195
Premises	Staff time	37,315	86,493	6,219	377,509	16,284	5,172	528,992	533,347
General management and office administration costs	Staff time	30,182	69,959	5,030	305,790	13,171	4,183	428,315	428,911
Communications and IT costs	Staff time	29,775	69,017	4,963	301,235	12,994	4,127	422,111	506,939
Legal and professional	Direct	-	-	-	-	-	60,462	60,462	42,171
Accounting fees	Direct	-	-	-	-	-	59,488	59,488	54,089
Audit fees	Direct	-	-	-	-	-	35,500	35,500	33,300
Depreciation	Staff time	403,342	99,179	7,131	432,882	18,673	-	961,207	964,238
Loss on disposal of fixed assets	Staff time	-	-	-	-	-	-	-	117,216
Total resources expended		<u>3,172,446</u>	<u>1,220,240</u>	<u>159,866</u>	<u>6,696,076</u>	<u>1,047,440</u>	<u>179,035</u>	<u>12,475,103</u>	<u>12,541,768</u>

Expenditure on charitable activities was £9,302,657 (2020: £9,361,991), of which £8,297,984 was unrestricted (2020: £8,636,727) and £1,004,673 was restricted (2020: £725,264).

Notes forming part of the Financial Statements (continued)

7. Analysis of expenditure

This is stated after charging:

	2021 £	2020 £
Auditors' remuneration - audit	35,500	33,300
Auditors' remuneration - other services	56,502	54,089
Depreciation		
Owned	951,115	923,773
Leased	10,092	40,465
Operating lease rentals	718,153	671,391
Loss / (profit) on disposal of fixed assets	(21,713)	117,216

8. Analysis of staff costs and costs of key management personnel

	2021 £	2020 £
Wages and salaries	3,468,991	3,809,814
Social security costs	377,421	372,803
Pension costs	133,046	135,852
	3,979,458	4,318,469

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2020: £nil). During the year two (2020: two) trustees received remuneration in respect of other services provided by them. The trustees' remuneration for the year was £96,026 (2020: £83,886). The trustees are responsible for governing the charity and directing how it is managed and run.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, which is comprised of the trustees and the management team as defined on page 3. The total employee benefits and remuneration of the key management personnel during the year, including employer NI, was £303,378 (2020: £293,014).

The average monthly number of employees during the year was as follows:

	2021 No	2020 No
	100	113

No member of staff received remuneration between £170,000 - £180,000 (2020: one), none between £140,000 and £150,000 (2020: one), one between £100,000 and £110,000 (2020: none) none between £90,000 - £100,000 (2020: none), one between £80,000 - £90,000 (2020: one) three between £70,000 and £80,000 (2020: none), three between £60,000 - £70,000 (2020: two).

Pensions contributions paid to higher paid staff during the year to 31 December 2021 were £25,528 (2020: £24,025).

Notes forming part of the Financial Statements (continued)

9. Donated services and facilities

There are approximately in excess of 1,000 (2020: 2,000) unpaid volunteers involved in activities conducted or supported by Hillsong Church. The value to be placed on these resources cannot be reliably quantified and measured and is not therefore recognised in the statement of financial activities.

10. Tangible fixed assets

	Freehold land and buildings £	Leasehold Improvement £	Production equipment £	Vehicles £	Office equipment £	Total £
Cost						
At 1 January 2021	6,472,172	1,024,446	5,827,176	418,845	1,607,810	15,350,449
Additions	1,829,313	305,345	417,883	50,293	86,330	2,689,164
Disposals	-	-	-	(119,601)	(217,519)	(337,120)
At 31 December 2021	8,301,485	1,329,791	6,245,059	349,537	1,476,621	17,702,493
Depreciation						
At 1 January 2021	758,096	467,160	3,933,344	358,379	1,219,238	6,736,217
Charge for the year	165,844	105,233	502,892	40,714	146,524	961,207
On disposals	-	-	-	(71,598)	(202,786)	(274,384)
At 31 December 2021	923,940	572,393	4,436,236	327,495	1,162,976	7,423,040
Net book value 31 December 2021	7,377,545	757,398	1,808,823	22,042	313,645	10,279,453
Net book value 31 December 2020	5,714,076	557,286	1,893,832	60,466	388,572	8,614,232

Barclays Plc holds a first charge over all tangible fixed assets owned by The Church under mortgage at the year end.

Included in the total net book value of assets is £87,155 (2020: £72,686) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £10,092 (2020: £40,465).

11. Stocks

During the year, an impairment loss of £Nil (2020: £Nil) was recognised on stocks held.

12. Debtors

	2021 £	2020 £
Trade debtors	21,415	29,160
Gift Aid recoverable	58,987	59,266
Other debtors	236,691	656,220
Prepayments and accrued income	1,204,754	1,480,813
	1,521,847	2,225,459

Notes forming part of the Financial Statements (continued)

13. Cash at bank and in hand

	2021 £	2020 £
Cash at bank	3,719,975	5,652,201
Cash in hand	6,298	6,495
	3,726,273	5,658,696

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loan	290,604	2,620,651
Obligations under finance leases	47,231	49,760
Trade creditors	893,512	859,382
Taxation and social security	110,636	110,538
Other creditors	55,163	112,249
Accruals and deferred income	380,478	953,202
	1,777,624	4,705,782

A bank loan was obtained in July 2008 from Barclays Bank over a 20 year term with 228 capital repayment instalments. The current repayments are £9,019 per month together with interest payments at the bank base rate plus 1.20%.

In October 2021 a loan obtained in August 2016 was repaid, and a new loan of £2,250,000 was obtained from Barclays Bank over a 5 year term with 20 capital repayment instalments. The current repayments are £37,500 per quarter plus interest payments at the bank base rate plus 2.70%.

In October 2021 a second loan obtained in August 2016 was repaid, and a further new loan was obtained from Barclays Bank over a 5 year term with 20 capital repayment instalments. The current repayments are £2,967 per quarter plus interest payments at the bank base rate plus 2.70%.

Finance leases were taken out during prior years for motor vehicles and production equipment over lease terms of 3 years, with 35 capital repayment instalments. One finance lease was taken out in 2021 relating to motor vehicles, over a lease term of 3 years with 35 capital repayment instalments. A further finance lease was taken out in 2021, relating to production equipment, over a lease term of 2 years with 24 capital repayment instalments. Total current repayments in 2021 under finance leases are £68,113 (2020: £62,881) plus interest of £8,059 (2020: £8,740).

Included in other creditors above is £22,001 (2020: £24,365) owing to the pension fund.

Notes forming part of the Financial Statements (continued)

15. Deferred income

	2021 £	2020 £
At 1 January	759,248	1,290,297
Less amount released to income resources	(759,248)	(1,290,297)
Plus amount deferred in the year	802,828	759,248
At 31 December	802,828	759,248

As at 31 December 2021 and 31 December 2020 all deferred income relates to income received in advance of conferences and events to be held at a future date.

16. Creditors: amount falling due after more than one year

	2021 £	2020 £
Bank loan	2,811,320	662,800
Obligations under finance leases	25,445	18,502
Accruals and deferred income	557,556	627,929
	3,394,321	1,309,231
Analysis of bank loan and finance leases:	2021	2020
	£	£
Debt can be analysed as falling due		
In one year or less, or on demand	337,835	2,670,411
Between one and two years	318,746	125,049
Between two and five years	483,362	305,387
In five years or more	2,034,657	250,868
	3,174,600	3,351,715

Notes forming part of the Financial Statements (continued)

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2021 Total £	Unrestricted Funds £	Restricted Funds £	2020 Total £
Tangible fixed assets	8,753,078	1,526,375	10,279,453	8,180,851	433,381	8,614,232
Current assets	4,329,282	987,675	5,316,957	5,866,302	2,107,967	7,974,269
Current liabilities	(1,777,624)	-	(1,777,624)	(4,705,782)	-	(4,705,782)
Non-current liabilities	(3,394,321)	-	(3,394,321)	(1,309,231)	-	(1,309,231)
Fund Total	7,910,415	2,514,050	10,424,465	8,032,140	2,541,348	10,573,488
Reconciliation of funds						
Total funds brought forward at 1 January	8,032,140	2,541,348	10,573,488	6,221,702	2,190,166	8,411,868
Movement in funds	(121,725)	(27,298)	(149,023)	1,810,438	351,182	2,161,620
Total funds carried forward at 31 December	7,910,415	2,514,050	10,424,465	8,032,140	2,541,348	10,573,488

18. Analysis of restricted income funds

Summary of the activity of the restricted funds for 2021 was as follows :

	Balance Brought forward 2021 £	Incoming resources £	Outgoing resources £	Depreciation £	Balance carried forward 2021 £
Spring the Trap	60,058	131,215	(122,477)	-	68,796
Because We Can	63,447	163,614	(174,457)	-	52,604
Building Fund	2,176,855	281,251	(36,754)	(34,480)	2,386,872
Youth Services	-	4,821	-	-	4,821
Love Your Neighbour	240,988	396,474	(636,505)	-	957
Total	2,541,348	977,375	(970,193)	(34,480)	2,514,050

Summary of the activity of the restricted funds for 2020 was as follows :

	Balance Brought forward 2020 £	Incoming resources £	Outgoing resources £	Balance carried forward 2020 £
Spring the Trap	49,106	179,962	(169,010)	60,058
Because We Can	35,563	210,159	(182,275)	63,447
Building Fund	2,105,497	239,275	(167,917)	2,176,855
Youth Services	-	2,788	(2,788)	-
Love Your Neighbour	-	447,050	(206,062)	240,988
Total	2,190,166	1,079,234	(728,052)	2,541,348

Notes forming part of the Financial Statements (continued)

Analysis of restricted income funds (continued)

The major restricted funds comprise Hillsong Foundation Funds, including:

Spring The Trap

As 'Green Light' (formerly City Care) funds are generated in order to provide care, compassion and support to people from all walks of life facing challenges in the local community.

Because We Can

Hillsong Church London collaborates with international social justice organisations as part of a global effort to make poverty history.

Building Fund

The Building Fund was set up using gifts specified to be used to acquire appropriate accommodation for the Church in the future, and to make improvements to church accommodation.

Youth Services

As the 'I Care Revolution' Hillsong delivers a strong message via schools to encourage people to start to take responsibility and care for others.

Love Your Neighbour

The Love Your Neighbour campaign exists to provide Covid-19 related relief, including provision of food supplies, financial and debt guidance and career advice.

19. Commitments

The total future minimum payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Operating leases which expire :		
Within one year	844,724	573,987
Between one and five years	2,124,598	1,873,191
In over five years	1,158,750	1,369,583
	4,128,072	3,816,761

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

	2021	2020
	£	£
Net movements in funds	(149,023)	2,161,620
Deduct interest income shown in investing activities	(3,636)	(3,835)
Add back interest expenditure shown in investing activities	71,914	85,039
Add back depreciation charges	961,207	964,238
(Profit) / loss on disposal of tangible asset	(21,713)	117,216
Decrease / (increase) in stocks	21,277	(13,735)
Decrease / (increase) in debtors	703,612	(94,715)
Decrease in creditors	(665,955)	(411,369)
Net cash provided by operating activities	917,683	2,804,459

Notes forming part of the Financial Statements (continued)

21. Analysis of changes in net funds

	At start of year	Cash flows	New finance leases	At end of year
	£	£	£	£
Cash at bank and in hand	5,658,696	(1,932,423)	-	3,726,273
Borrowings excluding overdrafts	(3,283,451)	181,527	-	(3,101,924)
Obligations under finance leases	(68,262)	111,535	(115,949)	(72,676)
	<u>2,306,983</u>	<u>(1,639,361)</u>	<u>(115,949)</u>	<u>551,673</u>

22. Related party transactions

Hillsong NL, Hillsong Espana and Hillsong Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year, there were related party transactions totalling £291 (2020: £20,560) with Hillsong NL. This consists of £282 (2020: £20,560) paid on behalf of Hillsong NL for events held by Hillsong London and costs reimbursed of £573 (2020: £Nil) paid to Hillsong NL in the year. There were costs of £Nil (2020: £Nil) paid on behalf of Hillsong Espana. There were also costs of £3,637 (2020: £49,761), tithes and offerings of £4,112 (2020: £45,292) and sale of teaching resources of £59 (2020: £Nil) on behalf of Hillsong Italia. There were no donations received from related parties (2020: £nil).

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2020: £nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. The trustees' remuneration for these items for the year was £96,026 (2020: £83,886), remunerated to the following trustees:

	2021 £	2020 £
Ray Newton: Salary - Legal Counsel	28,145	28,162
David Whitewood: Salary	67,881	55,724
	<u>96,026</u>	<u>83,886</u>
Total		

There were no other outstanding balances with related parties as at 31 December 2021 (2020: £nil).

23. Controlling party

The company is limited by guarantee and does not have share capital. No one individual member has control.

Notes forming part of the Financial Statements (continued)

24. Events after the reporting date

On 12 January 2022 Hillsong Church London acquired new property asset in North London for the price of £6.8 million. This was funded by a combination of cash reserves and debt secured against the property.

Accounts

COMPANY NUMBER: 05487537 (England and Wales)

CHARITY NUMBER: 1120355 (England and Wales)

HILLSONG CHURCH LONDON

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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Reference and Administrative Information

Registered office and advisors

Hillsong Church London ("The Church") is a company limited by guarantee (Company No: 05487537)

Registered Charity Number 1120355

Registered Office Hillsong Church London
425 New Kings Road
London
SW6 4RN

Company Secretary R Newton

Trustees R Dacre (Chairman)
J Lestz
R Newton
Dr R Van Dijk (resigned 1 July 2020)
Dr S Wilson
E Simmons
B Sinniah (resigned 30 September 2020)
D Whitewood
C Okeke (appointed 24 September 2020)
U Obi (appointed 24 September 2020)
D Bagheri (appointed 24 September 2020)

Management Team G J Clarke (Senior Pastor and CEO, resigned 30 April 2021)
T Douglass (Senior Pastor and CEO) (appointed 5 May 2021)
A Spies (Chief Financial Officer)

Bankers Barclays Bank plc
126 Station Road
Edgware
Middlesex
HAB 7RY

Auditors RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitors Bates Wells
10 Queen Street Place
London
EC4R 1BE

Trustees' Report (Including Strategic Report)

The Trustees, who are also Directors of the company for Companies Act purposes, present their report for the year ended 31 December 2020.

Objectives and Activities

Principal aims and objectives

The principal aim and objective of Hillsong Church London ("the Church") is that of advancement of the Christian faith for the benefit of the public in the UK, Europe and elsewhere by the pronouncement of the Gospel of Jesus Christ in accordance with the Statement of Faith referred to in the company constitution.

Strategy

Our strategy in achieving these objectives has remained constant since the Church was first established:

1. To take the truth of the Gospel and teachings of the Christian faith and communicate them in the language and style of today's culture.
2. To build a large Christ centred Bible-based church headquartered in London, able to serve the Greater London area, the UK and Europe.
3. To engage all members of the Church to:
 - i. Be relationally connected in a Small Group in the life of the Church.
 - ii. Serve in some capacity, adding to the health, life and expression of the Church.
 - iii. Be involved in some form of personal social justice.
 - iv. Sustain one thing to help someone break out of the cycle of injustice.
 - v. Take personal responsibility to encourage people in their day to day life to become part of the expression and life of the Church.
 - vi. Personally study and to journal.
 - vii. Contribute financially.

Principal Activities

This past year has seen a continuation of our principal activities however the format of these activities has changed due to the significant impact of the Covid-19 pandemic and related control measures in the UK and around the world.

On 23 March, 2020 the UK Government announced various control measures in response to Covid-19 which impacted the charity. The main impact of these measures was the restriction of the principal activity of regular Sunday church services. From this date, regular services and any other gatherings, including small groups, was not permitted to proceed.

The impact of the UK Government's restriction on activity resulted in all church services being broadcast on several online platforms. This format has been successful and is also used for any other meetings where it is appropriate. The Colour Your World Women's Conference and Hillsong Conference Europe were postponed for 2020. The charity has also been able to respond quickly to changing needs of communities as a result of Covid-19 and control measures. This includes supporting London's homeless population with expanded activity, launching food programs, additional support to refugees and asylum seekers and providing mental health and other support to the church congregation.

The principal activities of the church continued to be:

1. Prior to control measures, regular Sunday church services and children's activities around the UK based in:
 - a. Central London at the Dominion Theatre.
 - b. South Bermondsey, London at our leased premises.
 - c. Guildford, Surrey at G-Live.
 - d. Tonbridge, Kent at The River Centre.
 - e. Oxford, Oxfordshire at the Odeon Theatre
 - f. Newcastle-Upon-Tyne at Westgate Hall.
 - g. North London at the Bernie Grant Arts Centre.
 - h. Edinburgh, Scotland at the Rose Theatre
 - i. Liverpool at various locations within the city.
 - j. Birmingham at various locations within the city.
 - k. Croydon, London at Fairfield Hall.
2. Within control measures, weekly church services broadcast on various platforms including content for the church members in the UK and specific content for youth and kids.
3. Approximately 800 mid-week home-based Small Groups. These groups continued under control measures, with groups and communities continuing to meet virtually, or in person if possible.
4. Regular Youth and Young Adults services and activities at various locations in London, Guildford and Tonbridge and Oxford when possible. Under control measures, groups met virtually or outdoors if permissible. Online content was produced for youth and kids ministries.
5. Within control measures, weekly church services broadcast on various platforms including content for the church members in the UK and specific content for youth and kids.

Trustees' Report (Including Strategic Report) (continued)

6. Approximately 800 mid-week home-based Small Groups. These groups continued under control measures, with groups and communities continuing to meet virtually, or in person if possible.
7. Regular Youth and Young Adults services and activities at various locations in London, Guildford and Tonbridge and Oxford when possible. Under control measures, groups met virtually or outdoors if permissible. Online content was produced for youth and kids ministries.
8. Youth Ministry, particularly to students in Secondary Schools in the Greater London area.
9. Leadership training seminars and Evening College classes. This activity continued online.
10. Women's Ministry.
11. Distribution of relief to people in need of emergency assistance for matters such as accommodation, food vouchers, counselling, travel, rental arrears and home repairs. This activity increased in 2020 as the Covid-19 pandemic and control measures created additional needs in the community.
12. Launched a programme, Love Your Neighbour, together with other churches across the UK, which provides emergency food assistance, financial education and career and job assistance to those impacted by the pandemic.
13. Support for programmes for the relief of poverty in Uganda (Watoto), and in India (Vision Rescue). In addition, partnership with Compassion, sponsoring children in Uganda and other countries, and partnership with The A21 Campaign, a charity registered in England and Wales.
14. Support for local ministry to the homeless, including provision and maintenance of 'Green Light' medical vans to provide assistance to the homeless in London. The Green Light activity increased in 2020, including medical triage support of homeless population, assisting with provision of vehicles to other medical operations, and provision of food and meals.
15. Ministry to the Elderly in the community including regular volunteer teams assisting at local centres where possible.
16. Support for the needs of refugees in the UK and Europe, including collection of clothing items and partnering with various local authorities to improve facilities for refugees and support resettlement programmes. Covid-19 related activity included additional assistance with Refugees and Asylum Seekers housed in temporary locations in London.
17. Participation in the UK government's Community Sponsorship Scheme assisting refugee families settling in the UK.
18. A Youth conference ("Encounter") held at our premises in South Bermondsey in February 2020.
19. A Christmas presentation streamed online, replacing our usual Christmas services.
20. A performing arts academy held on Saturdays including dance, vocals acting and music classes for ages 4-21. This was held in a combination of in person and online classes.
21. A Heart for the House annual offering, part of which was used to support charitable programs including social justice causes.
22. Support to other Churches and Ministries in the UK, and Europe.

New activities and initiatives commenced in the year focused on the change in format of operation, and the emerging needs in the community. These included the following:

1. Participation in the national Love Your Neighbour campaign. Including establishing various hub centres to provide food supplies and career and financial guidance. This programme has been partly funded by government funding, and included various activities centred around Christmas, and the provision of food and gifts for those in need.
2. Launch of online church services streamed on various platforms on a weekly basis.

Prior to control measures, in excess of 2,000 volunteers continued to be involved in activities conducted or supported by Hillsong Church including:

- Running Sunday services in Central London, South Bermondsey, Guildford, Tonbridge, Oxford, Newcastle, North London, Edinburgh, Liverpool and Milan, Italy.
- Leading Small Groups in Greater London, Surrey, Kent, Oxford, Newcastle, Edinburgh, Liverpool, Birmingham and Milan, Italy.
- Running women's ministries in London Greater London, Surrey, Kent, Oxford and Newcastle.
- Leading youth ministries in Greater London, Surrey, Kent, Oxford and Newcastle.
- Helping the homeless in London by travelling with the Green Light van seven days per week.
- Through the youth initiative "I Care Revolution" we were able to continue to visit Secondary Schools in the London region during the year and present to many thousands of school students.
- Participating in activities supporting refugees including decorating and furnishing accommodation, running community based workshops and activities and distribution of welcome packs.

Within control measures, volunteers were able to continue to participate, while observing relevant social distancing and isolation guidelines. Volunteers continuing to be involved in the following areas:

- Producing and organising online services and other online content.
- Leading small group activities online.
- Helping deliver food hampers, run courses and organise all elements of the Love Your Neighbour program.
- Helping the homelessness in London by assisting with government run temporary housing schemes, providing triage assistance and organising food programs.

In the consideration of all activities undertaken the trustees have had regard to the public benefit guidance published by The Charity Commission.

Trustees' Report (Including Strategic Report) (continued)

Achievements and performance

In prior years, achievement and performance has been primarily measured against targets for financial growth, by the increased number of attendees at Sunday services and other gatherings, and by the number of members volunteering.

With Covid-19 control measures in place, Sunday services, our regular conferences and any other gatherings were not able to proceed. Therefore, the measurement of the Church's impact and achievements was focussed on online engagement to services and other content, as well as the number of mid-week groups. In the period since ceasing services, numbers of people engaged in Sunday online services has remained consistent, and during the year the number of mid-week groups meeting increased.

During the year, all income streams reduced as a result of the Covid-19 pandemic and related control measures. Donation income reduced by 25%, and income from charitable activities has reduced by 95%, due to events not being held and revenue being deferred. Donation income has been impacted by the inability to collect donations in services, as well as the decline in general economic conditions in the UK.

Achievements in the areas of social justice activity increased, with an increase in the number of individuals assisted and the number of new programs launched.

The Covid-19 control measures in the UK continue to have an impact on the charity's activities. This impact is discussed below. To our knowledge, there are no other internal or external factors that will significantly prevent us from achieving our future objectives.

Financial review

Balance sheet funds stood at £10,573,488 (2019: £8,411,868) comprising Restricted Funds of £2,541,348 (2019: £2,190,166) and Unrestricted Funds of £8,032,140 (2019: £6,221,702).

During this financial year, the charity made a net surplus of £2,161,620. This was an increase from 2019 where a surplus of £1,312,839 was made. Included in the surplus was loss from the disposal of fixed assets of £117,216 (2019: profit £411,795).

The charity's main source of income continues to be donations from church members.

Governance costs represent less than 1% of total resources expended.

Overall, the charity was able to reduce costs, to offset the reduction in income during the year. This has meant that a surplus has been created which can be allocated to future investment, or to costs of returning to regular activity when regulations allow. In spite of the challenges of 2020, the charity has been able to manage to maintain a healthy financial position.

Reserves policy

The charity had reserves of £10,573,488 at 31 December 2020. Of the total reserves of £10,573,488 an amount of £2,541,348 is considered restricted funds. Restricted funds relate to the Hillsong Building Fund, Spring the Trap (Green Light) funds and other social justice funds which are received and passed on to partner organisations.

The total unrestricted reserves of £8,032,140 consists of £3,550,729 in cash, with the remainder represented by fixed assets of £8,180,851, other current assets of £2,315,573 less creditors of £6,015,013. The total restricted reserves of £2,541,348 consists of £2,107,967 in cash, with the remainder represented by fixed assets.

It is the intention of Trustees to build the level of unrestricted current assets of the charity to approximately 6 months of activities; this will require unrestricted funds to increase to a level of approximately £6m. In 2020, reserves were increased with a contribution from operating surplus. The planning for future years includes plans to reduce costs and grow income to allow for increased unrestricted surplus funds to contribute to unrestricted reserves. In the opinion of the trustees, the current unrestricted assets of £4,663,863 represent a cash or cash equivalent reserve of approximately five months of operating expenses, with saleable fixed assets representing a further two months of reserves.

Plans for future years

Our mission and objectives for the future remain the same as outlined earlier, that is, to continue to communicate the Gospel of Jesus Christ.

Our objectives for the future are to build on the growth experienced and see a substantial increase in the number of people establishing a personal relationship with the Lord Jesus Christ. This objective will be fulfilled by creating additional capacity for Sunday services in existing and new locations. We also seek to see increasing numbers of people actively involved in Church life by attending Small Groups or being involved in our volunteer teams and other activities.

We will continue hosting our conferences in future years. Our plan is that these conferences will reach a wider cross section of church leaders and team members from across Europe and other nations inspiring them to keep building their local church and making a positive difference in their world.

We will continue to provide opportunities for designated giving towards specific projects, which we will partner within the UK and overseas. Our aim is for every member of the Church to do at least one thing, and sustain it, which helps someone else break the cycle of poverty.

We aim to help people in our Church become mature Christians, through a clear understanding of the Bible and how it applies to their life.

Trustees' Report (Including Strategic Report) (continued)

The control measures imposed by the UK Government in response to Covid-19 continue to impact the charity and its plans for the future. The main impact of these measures is the restriction on the principal activity of regular Sunday church services. While our long-term plans for future years remain as stated above, our plans for 2021 have been impacted.

The activity to support those in need of emergency assistance, homeless in the UK, elderly in the community and refugees in the UK has continued. The charity has been able to respond quickly and effectively to the needs of the community in this situation, particularly in the area of supporting programs to protect London's homeless population. Additionally, the Love Your Neighbour campaign will continue in 2021, assisting those in need as a result of the Covid-19 pandemic.

The volunteers assisting in these activities have been able to continue to do so, while observing the current social distancing and isolation guidelines. There has been an increase in volunteering particularly in areas of medical assistance and helping those in need in local communities.

The financial implications of these changes are discussed below.

During 2020 Hillsong began actively searching for a substantial property purchase in London. In 2021 discussions are progressing with two potential purchases, which if either were to go ahead, would be funded with a combination of cash and bank loan, which has been approved in principle.

Structure, governance and management

Day to day management is vested in the management team led by the senior pastor.

Hillsong Church London is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 27 September 2018. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 425 New Kings Road, Fulham, London, SW6 4RN.

The trustees have delegated all aspects of decision making to the management team.

The charity is affiliated with other Hillsong churches across the world including in Australia, South Africa, the U.S.A., South America, Europe and has established churches in the Netherlands, Spain and Italy.

The trustees have had due regard to the public benefit guidance published by the Charity Commission. The current Trustee body is diverse and dynamic and has the knowledge and skills required to ensure due diligence for the organisation. The board constitutes of nine trustees, seven who are locally based, one in Europe who travels to the UK regularly and one based in Australia. Information on each of the trustees is included below:

- A Chartered Accountant and former senior financial manager with a major international insurance broker based in the UK, having over 30 years financial experience in a number of organisations both in the UK and overseas.
- A Managing Director of an automotive sales group, and the former chairman of a charity focussed on youth activities, with extensive experience in the development, operation and management of youth based charities.
- A former National Chairman and Managing Partner of a major Australian national law firm, with extensive experience advising churches, educational institutions and charities.
- A CEO of a company which provides financial advice and is regulated by the Financial Conduct Authority, with extensive management and financial experience.
- A senior executive at a digital bank with experience in Transformation Director and Chief Operating Officer roles within large commercial and retail banks
- A church management and leadership specialist, who travels regularly throughout Europe, Asia and the U.S.A. presenting to churches on management and at leadership seminars and has a Doctorate of Ministry in Church Administration.
- A partner of a London law firm specialising in Residential Property with extensive experience in volunteer leadership roles within church.
- An executive of a creative industries venture, with experience in managing and developing both private and social enterprises, including developing and overseeing community development programs.
- An investment banker at a large international investment bank, with experience in church roles including youth leadership.

The Trustees are provided with a Trustee Induction Pack with information on the organisation, the Trustee's role in relation to governance and their responsibilities under Charity Law.

Consideration for appointment of new trustees usually arises when new ventures or challenges are facing the Charity, all Trustees are at liberty to make recommendations to the Chairman and the Management, in discussion with the Chairman, also make recommendations to the Trustees. The trustees, after completion of due diligence, in turn make recommendations to the members, for appointment by resolution. New trustees were appointed in 2020. The Trustees were selected giving regard to independence and maintaining a diverse group of skills and experience.

The remuneration of key management personnel is reviewed by the Chairman and two other trustees each year. Consideration is given to equivalent salaries of similar positions within the marketplace, using published salary information.

Trustees' Report (Including Strategic Report) (continued)

Related parties

Hillsong NL, Hillsong Espana and Hillsong Church Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year there were related party transactions totalling £20,560 (2019: £28,274) with Hillsong NL. These transactions represent revenue from Hillsong NL for events held by Hillsong London or sale of teaching resources. There were £Nil related party transactions (2019: £28,500) with Hillsong Espana. These transactions represented donations to Hillsong Espana, or costs reimbursed. There were related party transactions totalling £49,761 (2019: £Nil) with Hillsong Church Italia. These transactions represented revenue received on behalf of Hillsong Italia, or costs paid on their behalf by Hillsong Church London.

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2019: £Nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. The trustees' remuneration for these items for the year was £75,600 (2019: £106,140).

Risk management

The Church is a fit for purpose organisational structure, Company Limited by Guarantee.

Both the risks and systems are regularly reviewed with a risk register maintained by the trustees. The risk register presents the principal risks facing the Church in the following categories:

- | | |
|------------------------|--------------------|
| • Facilities | • Operational |
| • Human Resources | • Security |
| • Fraud | • Financial |
| • IT, Data and Cyber | • Public Relations |
| • Legal and Regulatory | |

These risks have been mitigated, with action taken, including the following:

- Appointment of diverse skilled individuals to the Board of Trustees
- Appointment of qualified and appropriately experienced employees, in particular to the areas of HR, OH&S and Asset Management
- Separation of authority to approve significant financial decisions
- Regular reporting of areas of risk to the trustees. This reporting includes the operation of a risk log, risk rating matrix and regular reporting of metrics for risk management
- Engagement of external consultants to advise on significant issues
- Regular review of policies and procedures

A summary of those risks considered to have a very high maximum potential for impact as per the risk log is including below:

Potential Risk	Risk mitigation controls
Loss of, or significant disruption of key venue, leading to increased costs, reduced congregation, strain on human resources and reduced ability to meet Church objectives	• Identification of alternative venues for all key sites • Maintenance of strong relationships with landlords • The ability to stream online services • Develop and establish a strong groups culture • Actively seek options to acquire or lease permanent venues
A lack of control or poorly designed procedures leads to a safeguarding issue which has a significant impact on the individuals concerned as well as creating legal, financial and reputational risk for Church.	• Appropriate oversight and staff roles for safeguarding matters. • DBS checks for all staff and volunteers who interact with children and vulnerable adults • Regular safeguarding training for all relevant individuals • Provision of adequate staff and volunteers to meet required supervision ratios in Kids & Youth • Development and communication of safeguarding policies
A staff member or volunteer is mistreated and has a negative impact on the individual, as well as resulting in legal, financial and reputational risk	• Provision and maintenance of appropriate role descriptions • Structured process for performance evaluation and promotion in place • Well-being framework beginning with a process and policy for access to health intervention services
A lack of physical security leads to loss of assets or injury or death of staff, volunteers and congregation	• Use of venue-provided security personnel and procedures • Liaison with Police in relation to key security concerns and/or major events • Event planning policies and procedures cover physical security requirements • Provision of staff or volunteers with appropriate training, as required
Damage to confidence of stakeholders caused by issues outside the UK, by UK staff or by UK volunteers or congregation results in loss of access to venues, financial stress and/or regulatory challenge	• Policy guidelines on employee conduct documented, communicated and followed both locally and internationally • Staff and team leaders ensure appropriate selection of volunteers and volunteer training and supervision on an ongoing basis via team nights and other events • Policy in place and followed regarding staff recruitment process and ongoing performance evaluation

Additional risks are managed within the charity's risk framework.

Trustees' Report (Including Strategic Report) (continued)

Going concern

As discussed above, the UK Government's Covid-19 control measures, and particularly the restrictions on public gatherings, has had an impact on the charity. The main impact has been the inability to hold any gatherings, including Sunday services and large conferences. The main risk to the charity from this action is the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK, and the possible increase in unemployment and loss of income within the general population.

In response to this risk, the charity is taking the following steps:

- Reviewing and reducing all expenditure to essential items only
- Liaising with venue suppliers for postponement and / or refund of prepaid costs and contracted liabilities
- Accessing the UK Government's Job Retention Scheme for employees who have been placed on furlough where roles are not required under control measures
- Continuing to offer opportunities to donate to unrestricted and restricted funds through online services, including the promotion of electronic methods for donations and regularly communicating to church congregation on activities.
- Detailed planning and financial forecasting for 2021 and beyond, including understand the capacity of reserves, cash position and options to reduce future costs

The cash reserves are adequate to settle liabilities as they fall due. The trustees have considered the period of at least 12 months from signing these accounts.

Given the charity's current cash reserves, and ability to reduce costs, the trustees' are of the opinion that the charity can continue as a going concern.

Trustees' statement of responsibilities

The trustees, working closely with the members and management team, have in place the infrastructure to continue our mission to advance the Christian faith through growing the Church and maintaining our mission to London, the UK and other nations.

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and group and of the income, expenditure and financial activities of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

RSM UK Audit LLP has expressed its willingness to continue in office.

Statement of disclosure to auditors

- a) So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and
b) They have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information

The Trustees Report, which incorporates the Strategic Report has been approved by the Board of Trustees at its meeting on 15 June 2021 and signed on its behalf by:


.....
R A Newton
Trustee

Independent Auditor's report to the Members of Hillsong Church London

Opinion

We have audited the financial statements of Hillsong Church London (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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 of 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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 Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements

Independent Auditor's report to the Members of Hillsong Church London (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent Auditor's report to the Members of Hillsong Church London (continued)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and voluntary income and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and testing income through a combination of tests of control and tests of detail, including testing post year end receipts.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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 company's members, 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 charitable company's members 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: **5 July 2021**

Statement of Financial Activities (incorporating an income and expenditure account)
For the Year Ended 31 December 2020

		2020			2019		
		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	Notes	£	£	£	£	£	£
Incoming resources							
Donations	3	13,093,390	1,076,446	14,169,836	16,534,740	700,288	17,235,028
Charitable activities	4	355,406	-	355,406	3,393,728	-	3,393,728
Investments		3,835	-	3,835	5,113	-	5,113
Other income	5	174,311	-	174,311	411,795	-	411,795
Total incoming resources		<u>13,626,942</u>	<u>1,076,446</u>	<u>14,703,388</u>	<u>20,345,376</u>	<u>700,288</u>	<u>21,045,664</u>
Resources expended							
Raising funds	6	3,179,777	-	3,179,777	5,529,912	-	5,529,912
Charitable activities	6	8,636,727	725,264	9,361,991	13,753,230	449,683	14,202,913
Total resources expended		<u>11,816,504</u>	<u>725,264</u>	<u>12,541,768</u>	<u>19,283,142</u>	<u>449,683</u>	<u>19,732,825</u>
Net movement in funds		1,810,438	351,182	2,161,620	1,062,234	250,605	1,312,839
Reconciliation of funds:							
Total funds brought forward	16	6,221,702	2,190,166	8,411,868	5,159,468	1,939,561	7,099,029
Transfer of funds	16	-	-	-	-	-	-
Total funds carried forward		<u>8,032,140</u>	<u>2,541,348</u>	<u>10,573,488</u>	<u>6,221,702</u>	<u>2,190,166</u>	<u>8,411,868</u>

The statement of financial activities includes all gains and losses in the year.

Statement of Financial Position as at 31 December 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible assets	10	8,614,232	8,765,491
Current assets			
Stocks		90,114	76,379
Debtors	11	2,225,459	2,130,744
Cash at bank and in hand	12	5,658,696	4,150,353
Total Current assets		7,974,269	6,357,476
Liabilities			
Creditors: amounts falling due within one year	13	(4,705,782)	(2,197,650)
Net current assets		3,268,487	4,159,826
Total assets less current liabilities		11,882,719	12,925,317
Creditors: Amounts falling due after more than one year	15	(1,309,231)	(4,513,449)
Total Net assets		10,573,488	8,411,868
The funds of the charity			
Restricted income funds	17	2,541,348	2,190,166
Unrestricted income funds		8,032,140	6,221,702
Total charity funds		10,573,488	8,411,868

Approved and authorised for issue by the trustees on 15 JUNE 2021 and were signed on its behalf by:


R A Newton
Director

The notes on pages 16 – 29 form part of these financial statements.
Company number: 05487537 (England and Wales)
Charity number: 1120355 (England and Wales)

Hillsong Church London
Year Ended 31 December 2020

Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020 £	2019 £
Cash generated from operating activities	19	2,804,459	1,649,504
Cash flows from investing activities			
Interest income		3,835	5,113
Interest expenditure		(85,039)	(134,100)
Purchase of tangible fixed assets		(946,482)	(936,693)
Proceeds on disposal of tangible assets		34,853	1,718,210
Cash (generated)/used in investing activities		(992,833)	652,530
Cash flows from financing activities			
Repayment of borrowings		(237,090)	(346,472)
Payment of obligations under finance leases		(66,193)	(157,403)
Cash used in financing activities		(303,283)	(503,875)
Increase in cash and cash equivalents in the year		1,508,343	1,798,159
Cash and cash equivalents at the beginning of the year		4,150,353	2,352,194
Cash and cash equivalents at the end of the year	12	5,658,696	4,150,353

Notes forming part of the Financial Statements

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

General information

Hillsong Church London is a company limited by guarantee (Companies House No. 05487537) and a registered charity (Registered Charity No. 1120355). It is governed by Memorandum and Articles of Association dated 22 June 2005 and most recently amended 27 September 2018. It is incorporated and domiciled in the United Kingdom. The address of the registered office is 425 New Kings Road, Fulham, London, SW6 4RN.

Basis of preparation

These Financial Statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Hillsong Church London meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £.

Going concern

As discussed in the trustee's report, the UK Government's Covid-19 control measures, and particularly the restrictions on public gatherings, has had an impact on the charity. The main impact has been the inability to hold any gatherings, including Sunday services and large conferences. The main risk to the charity from this action is the financial risk of lower than expected donation income. This risk is amplified by the general economic conditions within the UK, and the possible increase in unemployment and loss of income within the general population.

The trustees consider the use of the going concern basis of accounting is appropriate. While there is a general economic uncertainty within the UK, the trustees have considered the charity's current cash reserves, and ability to reduce costs, and remain of the opinion that the charity can continue as a going concern. There are no other material uncertainties related to events or conditions that may cast significant doubt about the ability of the Church to continue as a going concern.

Income

Donation income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received and the income can be reliably measured.

Income is received by way of donations, tithes and offerings and is included in full in the statement of financial activities when received. Donations arising under Gift Aid are accounted for on the date of receipt and provisions are made for income tax remaining unclaimed at the year end.

Income from charitable activities

Income from conferences, events, and sales of Christian resources are made in furtherance of the objects of the Church, and are accounted for when income is receivable.

Income received in advance of an event is deferred until the criteria for income recognition are met.

Investment income

Investment income relates to interest on funds held on deposit and is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the costs of commercial trading including venue premises, productions and their associated support costs.
- Expenditure on charitable activities includes, but is not limited to, the cost of conferences and events, resource sales, teaching and ministry, missions and governance.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Total expenditure includes the allocation of support costs to the various expenditure categories set out in the statement of financial activities. These support costs relate to the corporate functions including information technology, property and facilities management, human resources, finance and governance, in addition to the support costs incurred by communications and other centralised departments that are not otherwise directly allocated. Support costs have been allocated to activities based on the apportionment of time spent by employees in each category. This apportionment is calculated for each key employee department.

Governance costs represent costs from external service providers relating to the strategic management of the Church. While the trustees meet regularly on an informal and formal basis to discuss strategic and governance issues, the Church structure and involvement of the trustees in its day-to-day activities means that these meetings do not give rise to specific costs.

Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Church substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the life of the lease.

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to that fund.

Details of restricted funds are disclosed in note 16.

Unrestricted funds

Unrestricted funds are donations and other income received or generated for the objectives of the Church without further specified purpose and are available as general funds.

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Tangible fixed assets

Fixed assets are for use by the Church in fulfilling its main charitable objectives and are capitalised and depreciated. Items under £1,000 are written off against income in the year of purchase.

Depreciation is charged at a rate to reduce useful economic lives of tangible fixed assets to £nil in accordance with the following policies:

Freehold buildings	- 2% reducing balance basis (10%-25% on property improvements)
Production equipment	- 10-33% straight line basis
Vehicles	- 33.3-50% straight line basis
Office equipment	- 20-33.3% straight line basis
Leasehold improvements	- 10-20% straight line basis

No depreciation is provided in respect of freehold land.

Donated goods

Donated goods for on-going use by a charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the statement of financial activities.

Donated goods held as tangible fixed assets are subject to depreciation and are assessed at the reporting date of whether there is any indication that the asset should be written down to its recoverable amount.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the charitable company estimates the recoverable amount of the asset.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. The Charity has not entered into any financing transactions.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

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

Notes forming part of the Financial Statements (continued)

1. Accounting policies (continued)

Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pensions

The church contributes to a defined contribution scheme with Scottish Widows in respect of staff. Contributions are charged to the income and expenditure account when payable. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors.

Grant income

The charity has chosen to include the Covid-19 Job Retention Scheme grant and the Retail, Hospitality and Leisure grant fund (RHLGF) in other income in its financial statements. The organisation availed itself of the furlough scheme and the RHLGF scheme introduced by the government in light of the Covid-19 pandemic. During the period an amount of £174,311 was claimed under the schemes. This amount is reflected in other income on the face of the SOFA.

2. Judgement in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations for future events that are believed to be reasonable under the circumstances.

(i) Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

Notes forming part of the Financial Statements (continued)

3. Incoming resources from donations

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Tithes & Offerings	10,995,377	1,076,446	12,071,823	13,843,610	700,288	14,543,898
Gift Aid Claimed	2,098,013	-	2,098,013	2,691,130	-	2,691,130
	<u>13,093,390</u>	<u>1,076,446</u>	<u>14,169,836</u>	<u>16,534,740</u>	<u>700,288</u>	<u>17,235,028</u>

4. Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Conferences and events	141,504	-	141,504	2,930,979	-	2,930,979
Resource sales	16,265	-	16,265	186,496	-	186,496
Music royalties receivable	6,044	-	6,044	11,911	-	11,911
Other income	191,593	-	191,593	264,342	-	264,342
	<u>355,406</u>	<u>-</u>	<u>355,406</u>	<u>3,393,728</u>	<u>-</u>	<u>3,393,728</u>

5. Other income

	2020 £	2019 £
Profit on disposal of tangible fixed assets	-	411,795
Coronavirus Job Retention Scheme	149,311	-
Retail, Leisure and Hospitality Grant Scheme	25,000	-
	<u>174,311</u>	<u>411,795</u>

Included in other income is £149k from the Coronavirus Job Retention Scheme (CJRS).

Notes forming part of the Financial Statements (continued)

6. Total resources expended

	Basis of allocation	Cost of raising funds £	Conference and events £	Resource sales £	Teaching and ministry £	Missions £	Governance costs £	Total 2020 £	Total 2019 £
Costs directly allocated to activities									
Staff costs	Direct	-	342,258	-	3,205,498	-	-	3,547,766	3,884,096
Venue costs	Direct	1,534,714	1,744	-	5,902	-	-	1,542,360	4,467,802
Production costs, equipment hire and transport costs	Direct	829,053	79,514	-	3,313	-	-	911,880	2,358,999
Ministry and mission expenses	Direct	142,150	116,361	-	1,903,815	572,010	-	2,734,336	5,044,425
Cost of sales	Direct	-	-	174,020	-	-	-	174,020	239,326
Support costs allocated to activities									
Staff costs	Staff time	60,233	213,438	10,039	632,495	26,741	8,249	951,195	743,873
Premises	Staff time	33,773	119,678	5,629	354,648	14,994	4,625	533,347	599,134
General management and office administration costs	Staff time	27,160	96,243	4,527	285,203	12,058	3,720	428,911	791,714
Communications and IT costs	Staff time	31,592	113,874	5,356	337,449	14,267	4,401	506,939	520,384
Legal and professional	Direct	-	-	-	-	-	42,171	42,171	58,438
Accounting fees	Direct	-	-	-	-	-	54,089	54,089	42,164
Audit fees	Direct	-	-	-	-	-	33,300	33,300	31,350
Depreciation	Staff time	403,886	135,492	6,373	401,512	16,975	-	964,238	951,120
Loss on disposal of fixed assets	Staff time	117,216	-	-	-	-	-	117,216	-
Total resources expended		3,179,777	1,218,612	205,944	7,129,835	657,045	150,555	12,541,768	19,732,825

Expenditure on charitable activities was £9,361,991 (2019: £14,202,913), of which £8,636,727 was unrestricted (2019: £13,753,320) and £725,264 was restricted (2019: £449,683).

Notes forming part of the Financial Statements (continued)

7. Analysis of expenditure

This is stated after charging:

	2020 £	2019 £
Auditors' remuneration - audit	33,300	31,350
Auditors' remuneration - other services	54,089	29,636
Depreciation		
Owned	923,773	888,283
Leased	40,465	62,837
Operating lease rentals	671,391	644,677
Loss / (profit) on disposal of fixed assets	117,216	(411,795)

8. Analysis of staff costs and costs of key management personnel

	2020 £	2019 £
Wages and salaries	3,809,814	3,842,900
Social security costs	372,803	383,047
Pension costs	135,852	134,971
	4,318,469	4,360,918

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2019: £nil). During the year two (2019: four) trustees received remuneration in respect of other services provided by them. The trustees' remuneration for the year was £75,600 (2019: £106,140). The trustees are responsible for governing the charity and directing how it is managed and run.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The total employee benefits and remuneration of the key management personnel during the year, including employer NI, was £293,014 (2019: £344,571).

The average monthly number of employees during the year was as follows:

	2020 No	2019 No
	113	116

One member of staff received remuneration between £170,000 - £180,000 (2019: none), none between £160,000 - £170,000 (2019: one), one between £140,000 - £150,000 (2019: one), one between £80,000 - £90,000 (2019: one), two between £60,000 - £70,000 (2019: one).

Pensions contributions paid to higher paid staff during the year to 31 December 2020 were £24,025 (2019: £33,290).

Notes forming part of the Financial Statements (continued)

9. Donated services and facilities

There are approximately in excess of 2,000 (2019: 2,200) unpaid volunteers involved in activities conducted or supported by Hillsong Church. The value to be placed on these resources cannot be reliably quantified and measured and is not therefore recognised in the statement of financial activities.

During the prior year a property was donated to the church. This donation was recorded as income at the date of the donation, for its market value of £29,950. The company disposed of the property on 12 December 2019 for a sum of £21,000.

10. Tangible fixed assets

	Freehold land and buildings	Leasehold Improvement	Production equipment	Vehicles	Office equipment	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	6,377,762	1,341,467	5,456,220	396,516	1,599,211	15,171,176
Additions	94,410	238,345	487,802	48,406	96,085	965,048
Disposals	-	(555,366)	(116,846)	(26,077)	(87,486)	(785,775)
At 31 December 2020	6,472,172	1,024,446	5,827,176	418,845	1,607,810	15,350,449
Depreciation						
At 1 January 2020	602,005	782,921	3,578,623	313,281	1,128,855	6,405,685
Charge for the year	156,091	109,295	465,633	60,203	173,016	964,238
On disposals	-	(425,056)	(110,912)	(15,105)	(82,633)	(633,706)
At 31 December 2020	758,096	467,160	3,933,344	358,379	1,219,238	6,736,217
Net book value 31 December 2020	5,714,076	557,286	1,893,832	60,466	388,572	8,614,232
Net book value 31 December 2019	6,976,110	558,546	1,877,597	83,235	470,356	8,765,491

Barclays Plc holds a first charge over all tangible fixed assets owned by The Church under mortgage at the year end.

Included in the total net book value of assets is £72,686 (2019: £292,090) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £40,465 (2019: £62,837).

11. Debtors

	2020 £	2019 £
Trade Debtors	29,160	37,278
Gift Aid recoverable	59,266	283,011
Other debtors	656,220	420,410
Prepayments and accrued income	1,480,813	1,390,045
	2,225,459	2,130,744

Notes forming part of the Financial Statements (continued)

12. Cash at bank and in hand

	2020	2019
	£	£
Cash at bank	5,652,201	4,137,899
Cash in hand	6,495	12,454
	5,658,696	4,150,353

13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loan	2,620,651	310,841
Obligations under finance leases	49,760	74,797
Trade creditors	859,382	1,234,969
Taxation and social security	110,538	105,641
Other creditors	112,249	155,011
Accruals and deferred income	953,202	316,391
	4,705,782	2,197,650

A bank loan was obtained in July 2008 from Barclays Bank over a 20 year term with 228 capital repayment instalments. The current repayments are £9,286 per month together with interest payments at the bank base rate plus 1.20%.

A second loan was obtained in October 2014 from Barclays Bank over a 5 year term with 60 capital repayment instalments of £14,368 including interest payments of £1,769. There was an additional drawdown in January 2015 over a 5 year term with 60 capital repayment instalments of £952 including interest payments of £117. The loan has been fully repaid during the year.

A third loan was obtained in August 2016 from Barclays Bank over a 5 year term with 20 capital repayment instalments. The current repayments are £3,621 per quarter together with interest payments at the bank base rate plus 2.25%.

A fourth loan was obtained in August 2016 from Barclays Bank over a 5 year term with 20 capital repayment instalments. The current repayments are £45,756 per quarter together with interest payments at the bank base rate plus 2.25%.

Finance leases were taken out during prior years for motor vehicles and production equipment over lease terms of 3 years, with 35 capital repayment instalments. One finance lease was taken out in 2020 relating to motor vehicles, over a lease term of 3 years with 35 capital repayment instalments. Total current repayments in 2020 under finance leases are £62,881 including interest of £8,740.

Included in other creditors above is £24,365 (2019: £35,402) owing to the pension fund.

Notes forming part of the Financial Statements (continued)

14. Deferred income

	2020 £	2019 £
At 1 January	1,290,297	1,378,317
Less amount released to income resources	(1,290,297)	(1,378,317)
Plus amount deferred in the year	759,248	1,290,297
At 31 December	759,248	1,290,297

As at 31 December 2020 and 31 December 2019 all deferred income relates to income received in advance of conferences and events to be held at a future date.

15. Creditors: amount falling due after more than one year

	2020 £	2019 £
Bank loan	662,800	3,209,700
Obligations under finance leases	18,502	41,092
Accruals and deferred income	627,929	1,262,657
	1,309,231	4,513,449
Analysis of bank loan and finance leases:	2020	2019
	£	£
Debt can be analysed as falling due		
In one year or less, or on demand	2,670,411	385,638
Between one and two years	125,049	2,602,314
Between two and five years	305,387	300,116
In five years or more	250,868	348,362
	3,351,715	3,636,430

Notes forming part of the Financial Statements (continued)

16. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2020 Total £	Unrestricted Funds £	Restricted Funds £	2019 Total £
Tangible fixed assets	8,180,851	433,381	8,614,232	8,268,938	496,553	8,765,491
Current assets	5,866,302	2,107,967	7,974,269	4,663,863	1,693,613	6,357,476
Current liabilities	(4,705,782)	-	(4,705,782)	(2,197,650)	-	(2,197,650)
Non-current liabilities	(1,309,231)	-	(1,309,231)	(4,513,449)	-	(4,513,449)
Fund Total	8,032,140	2,541,348	10,573,488	6,221,702	2,190,166	8,411,868
Reconciliation of funds						
Total funds brought forward at 1 January	6,221,702	2,190,166	8,411,868	5,159,468	1,939,561	7,099,029
Movement in funds	1,810,438	351,182	2,161,620	1,062,234	250,605	1,312,839
Total funds carried forward at 31 December	8,032,140	2,541,348	10,573,488	6,221,702	2,190,166	8,411,868

17. Analysis of restricted income funds

Summary of the activity of the restricted funds for 2020 was as follows :

	Balance Brought forward 2020 £	Incoming resources £	Outgoing resources £	Balance carried forward 2020 £
Spring the Trap	49,106	179,962	(169,010)	60,058
Because We Can	35,563	210,159	(182,275)	63,447
Building Fund	2,105,497	239,275	(167,917)	2,176,855
Youth Services	-	2,788	(2,788)	-
Love Your Neighbour	-	447,050	(206,062)	240,988
Total	2,190,166	1,079,234	(728,052)	2,541,348

Summary of the activity of the restricted funds for 2019 was as follows :

	Balance Brought forward 2019 £	Incoming resources £	Outgoing resources £	Balance carried forward 2019 £
Spring the Trap	67,101	86,061	(104,056)	49,106
Because We Can	64,234	256,762	(285,433)	35,563
Building Fund	1,808,226	355,466	(58,195)	2,105,497
Youth Services	-	1,999	(1,999)	-
Total	1,939,561	700,288	(449,683)	2,190,166

Notes forming part of the Financial Statements (continued)

17. Analysis of restricted income funds (continued)

The major restricted funds comprise Hillsong Foundation Funds, including:

Spring The Trap

As 'Green Light' (formerly City Care) funds are generated in order to provide care, compassion and support to people from all walks of life facing challenges in the local community.

Because We Can

Hillsong Church London collaborates with international social justice organisations as part of a global effort to make poverty history.

Building Fund

The Building Fund was set up using gifts specified to be used to acquire appropriate accommodation for the Church in the future, and to make improvements to church accommodation.

Youth Services

As the 'I Care Revolution' Hillsong delivers a strong message via schools to encourage people to start to take responsibility and care for others.

Love Your Neighbour

The Love Your Neighbour campaign exists to provide Covid-19 related relief, including provision of food supplies, financial and debt guidance and career advice.

18. Commitments

The total future minimum payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Operating leases which expire :		
Within one year	573,987	631,037
Between one and five years	1,873,191	1,477,370
In over five years	1,369,583	684,583
	3,816,761	2,792,990

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

	2020	2019
	£	£
Net movements in funds	2,161,620	1,312,839
Deduct interest income shown in investing activities	(3,835)	(5,113)
Add back interest expenditure shown in investing activities	85,039	134,100
Add back depreciation charges	964,238	951,120
Profit / (loss) on disposal of tangible asset	117,216	(411,795)
(Increase) / decrease in stocks	(13,735)	30,228
Increase in debtors	(94,715)	(141,772)
Decrease in creditors	(411,369)	(220,103)
Net cash provided by operating activities	2,804,459	1,649,504

Notes forming part of the Financial Statements (continued)

20. Analysis of changes in net funds

	At start of year	Cash flows	New finance leases	At end of year
	£	£	£	£
Cash at bank and in hand	4,150,353	1,508,343	-	5,658,696
Borrowings excluding overdrafts	(3,520,541)	237,090	-	(3,283,451)
Obligations under finance leases	(115,889)	66,193	(18,566)	(68,262)
	<u>513,923</u>	<u>1,811,626</u>	<u>(18,566)</u>	<u>2,306,983</u>

21. Related party transactions

Hillsong NL, Hillsong Espana and Hillsong Italia are considered related parties as the board of trustees for these entities consist of trustees and management personnel of Hillsong London.

During the year there were related party transactions totalling £20,560 (2019: £28,274) with Hillsong NL. These transactions represent costs on behalf of Hillsong NL for events held by Hillsong London or sale of teaching resources. There were costs of £Nil (2019: £28,500) paid on behalf of Hillsong Espana. These transactions represented donations to Hillsong Espana, or costs reimbursed. There were also costs of £49,761 (2019: £nil) and tithes and offerings of £45,292 (2019: £nil) on behalf of Hillsong Milan. There were no donations received from related parties (2019: £nil).

No trustee received remuneration in relation to their duties as trustees or incurred expenses (2019: £nil). During the year trustees received remuneration in respect of services provided by them including legal services, management consultancy services and supplying teaching resources. The trustees' remuneration for these items for the year was £75,600 (2019: £106,140), remunerated to the following trustees:

	2020 £	2019 £
Scott Wilson:		
- Consultancy fees	-	20,500
- Sales Teaching Resources	-	440
Ray Newton: Salary - Legal Counsel	25,000	25,000
David Whitewood: Salary	50,600	60,000
Rebecca Van Dijk: Consultancy fees	-	200
Total	<u>75,600</u>	<u>106,140</u>

There were no other outstanding balances with related parties as at 31 December 2020 (2019: £nil)

22. Controlling party

The company is limited by guarantee and does not have share capital. No one individual member has control.

Notes forming part of the Financial Statements (continued)

23. Events after the reporting date

During 2020 Hillsong began actively searching for a substantial property purchase in London. In 2021 discussions are progressing with two potential purchases, which if either were to go ahead, would be funded with a combination of cash and bank loan, which has been approved in principle.