

**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	<ul style="list-style-type: none"> <li>• Identification of alternative venues for all key sites</li> <li>• Maintenance of strong relationships with landlords</li> <li>• The ability to stream online services</li> <li>• Develop and establish a strong groups culture</li> <li>• Actively seek options to acquire or lease permanent venues</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Appropriate oversight and staff roles for safeguarding matters.</li> <li>• DBS checks for all staff and volunteers who interact with children and vulnerable adults</li> <li>• Regular safeguarding training for all relevant individuals</li> <li>• Provision of adequate staff and volunteers to meet required supervision ratios in Kids &amp; Youth</li> <li>• Development and communication of safeguarding policies</li> </ul>
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	<ul style="list-style-type: none"> <li>• Provision and maintenance of appropriate role descriptions</li> <li>• Structured process for performance evaluation and promotion in place</li> <li>• Well-being framework beginning with a process and policy for access to health intervention services</li> </ul>
A lack of physical security leads to loss of assets or injury or death of staff, volunteers and congregation	<ul style="list-style-type: none"> <li>• Use of venue-provided security personnel and procedures</li> <li>• Liaison with Police in relation to key security concerns and/or major events</li> <li>• Event planning policies and procedures cover physical security requirements</li> <li>• Provision of staff or volunteers with appropriate training, as required</li> </ul>
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	<ul style="list-style-type: none"> <li>• Policy guidelines on employee conduct documented, communicated and followed both locally and internationally</li> <li>• Staff and team leaders ensure appropriate selection of volunteers and volunteer training and supervision on an ongoing basis via team nights and other events</li> <li>• Policy in place and followed regarding staff recruitment process and ongoing performance evaluation</li> </ul>

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	£	£	£	£	£	£
<b>Incoming resources</b>							
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
<b>Total incoming resources</b>		<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>
<b>Resources expended</b>							
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
<b>Total resources expended</b>		<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>
<b>Net movement in funds</b>		1,810,438	351,182	2,161,620	1,062,234	250,605	1,312,839
<b>Reconciliation of funds:</b>							
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	-	-	-	-	-	-
<b>Total funds carried forward</b>		<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
		£	£
<b>Fixed assets</b>			
Tangible assets	10	8,614,232	8,765,491
<b>Current assets</b>			
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
<b>Total Current assets</b>		7,974,269	6,357,476
<b>Liabilities</b>			
Creditors: amounts falling due within one year	13	(4,705,782)	(2,197,650)
<b>Net current assets</b>		3,268,487	4,159,826
<b>Total assets less current liabilities</b>		11,882,719	12,925,317
Creditors: Amounts falling due after more than one year	15	(1,309,231)	(4,513,449)
<b>Total Net assets</b>		10,573,488	8,411,868
<b>The funds of the charity</b>			
Restricted income funds	17	2,541,348	2,190,166
Unrestricted income funds		8,032,140	6,221,702
<b>Total charity funds</b>		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 £
<b>Cash generated from operating activities</b>	19	2,804,459	1,649,504
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
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
		<hr/>	<hr/>
<b>Cash (generated)/used in investing activities</b>		(992,833)	652,530
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(237,090)	(346,472)
Payment of obligations under finance leases		(66,193)	(157,403)
		<hr/>	<hr/>
<b>Cash used in financing activities</b>		(303,283)	(503,875)
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	12	5,658,696	4,150,353
		<hr/>	<hr/>

## **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**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2020 Total £</b>	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2019 Total £</b>
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**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2020 Total £</b>	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2019 Total £</b>
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**

	<b>2020 £</b>	<b>2019 £</b>
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
		£	£	£	£	£	£	£	£
<b>Costs directly allocated to activities</b>									
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
<b>Support costs allocated to activities</b>									
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:

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
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)
	<hr/>	<hr/>

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

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Wages and salaries	3,809,814	3,842,900
Social security costs	372,803	383,047
Pension costs	135,852	134,971
	<hr/>	<hr/>
	4,318,469	4,360,918
	<hr/>	<hr/>

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:**

	<b>2020</b> <b>No</b>	<b>2019</b> <b>No</b>
	113	116
	<hr/>	<hr/>

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**

	<b>Freehold land and buildings</b>	<b>Leasehold Improvement</b>	<b>Production equipment</b>	<b>Vehicles</b>	<b>Office equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
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)
<b>At 31 December 2020</b>	<b>6,472,172</b>	<b>1,024,446</b>	<b>5,827,176</b>	<b>418,845</b>	<b>1,607,810</b>	<b>15,350,449</b>
<b>Depreciation</b>						
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)
<b>At 31 December 2020</b>	<b>758,096</b>	<b>467,160</b>	<b>3,933,344</b>	<b>358,379</b>	<b>1,219,238</b>	<b>6,736,217</b>
<b>Net book value 31 December 2020</b>	<b>5,714,076</b>	<b>557,286</b>	<b>1,893,832</b>	<b>60,466</b>	<b>388,572</b>	<b>8,614,232</b>
<b>Net book value 31 December 2019</b>	<b>6,976,110</b>	<b>558,546</b>	<b>1,877,597</b>	<b>83,235</b>	<b>470,356</b>	<b>8,765,491</b>

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**

	<b>2020 £</b>	<b>2019 £</b>
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
	<b>2,225,459</b>	<b>2,130,744</b>

**Notes forming part of the Financial Statements (continued)**

**12. Cash at bank and in hand**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash at bank	5,652,201	4,137,899
Cash in hand	6,495	12,454
	<hr/>	<hr/>
	5,658,696	4,150,353
	<hr/>	<hr/>

**13. Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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
	<hr/>	<hr/>
	4,705,782	2,197,650
	<hr/>	<hr/>

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**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
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
	<hr/>	<hr/>
At 31 December	759,248	1,290,297
	<hr/>	<hr/>

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**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Bank loan	662,800	3,209,700
Obligations under finance leases	18,502	41,092
Accruals and deferred income	627,929	1,262,657
	<hr/>	<hr/>
	1,309,231	4,513,449
	<hr/>	<hr/>
Analysis of bank loan and finance leases:	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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
	<hr/>	<hr/>
	3,351,715	3,636,430
	<hr/>	<hr/>

**Notes forming part of the Financial Statements (continued)**

**16. Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2020 Total £</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2019 Total £</b>
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)
<b>Fund Total</b>	<b>8,032,140</b>	<b>2,541,348</b>	<b>10,573,488</b>	<b>6,221,702</b>	<b>2,190,166</b>	<b>8,411,868</b>
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
<b>Total funds carried forward at 31 December</b>	<b>8,032,140</b>	<b>2,541,348</b>	<b>10,573,488</b>	<b>6,221,702</b>	<b>2,190,166</b>	<b>8,411,868</b>

**17. Analysis of restricted income funds**

Summary of the activity of the restricted funds for 2020 was as follows :

	<b>Balance Brought forward 2020 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Balance carried forward 2020 £</b>
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
<b>Total</b>	<b>2,190,166</b>	<b>1,079,234</b>	<b>(728,052)</b>	<b>2,541,348</b>

Summary of the activity of the restricted funds for 2019 was as follows :

	<b>Balance Brought forward 2019 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Balance carried forward 2019 £</b>
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)	-
<b>Total</b>	<b>1,939,561</b>	<b>700,288</b>	<b>(449,683)</b>	<b>2,190,166</b>

**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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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
	<hr/>	<hr/>
	3,816,761	2,792,990
	<hr/>	<hr/>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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)
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	2,804,459	1,649,504
	<hr/>	<hr/>

**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
<b>Total</b>	<b><u>75,600</u></b>	<b><u>106,140</u></b>

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.