

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

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<u>6,471,522</u>	<u>2,810,315</u>	<u>9,281,837</u>	<u>7,910,415</u>	<u>2,514,050</u>	<u>10,424,465</u>
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 31/07/24and 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)
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		1,139,054	(7,144,321)
		<hr/>	<hr/>
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)
		<hr/>	<hr/>
Net cash (used in)/provided by financing activities		(1,433,774)	4,241,913
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	13	1,044,113	755,558
		<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 (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)
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	3,140,753	3,378,920
	<hr/>	<hr/>

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
	<hr/> 75	<hr/> 83
	<hr/>	<hr/>

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
	<hr/> 5	<hr/> 5
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	1,044,113	755,558
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	1,742,839	2,743,084
	<hr/>	<hr/>

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
	<hr/>	<hr/>
At 31 December	304,715	512,917
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	5,543,908	6,470,828
	<hr/>	<hr/>
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
	<hr/>	<hr/>
	5,809,137	6,735,796
	<hr/>	<hr/>
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
	<hr/>	<hr/>
	46,184	106,566
	<hr/>	<hr/>

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)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Total	5,870,275	2,774,334	8,644,609	6,471,522	2,810,315	9,281,837
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	2,810,315	506,359	(467,035)	(75,305)	2,774,334
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	2,514,050	762,041	(389,116)	(76,660)	2,810,315
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>
	2,644,335	3,284,159
	<hr/>	<hr/>

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)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	583,275	(68,306)
	<hr/>	<hr/>

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 are applies 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.