

ESSENTIAL CHRISTIAN

England & Wales · Charity number 1126997

Details

Other names ETERNALFX, MEMRALIFE GROUP

Status Registered

Legal form Charitable company

Company number [06667924](#)

Registered 2008-11-28

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: TO ADVANCE THE CHRISTIAN FAITH THROUGHOUT THE WORLD AND TO DO SO PRINCIPALLY, BUT NOT EXCLUSIVELY BY1 SERVING THE CHRISTIAN CHURCH WORLDWIDE2 ENABLING THE CHRISTIAN CHURCH WORLDWIDE3 INFORMING, INSPIRING AND EQUIPPING CHRISTIANS TO LIVE OUT THEIR CHRISTIAN FAITH WITH BIBLICAL INTEGRITY, HEARTFELT UNITY AND CULTURAL RELEVANCE; AND4 ENCOURAGING PEOPLE TO LIVE AS DISCIPLES OF JESUS CHRIST

Activities: The principal activities are (1) the annual Spring Harvest event for people of all ages and from a wide range of churches to encounter God, inspire confidence in the good news of Jesus Christ, and bring transformation (2) support for other Christian agencies to run events (3) production and publication of audio and video teaching, media and music (4) a service for administering royalties.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services
- **What:** Education/training, Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL.
- Ukraine
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£5,338,327	£5,374,973	£-364,818	31
2023-09-30	£5,432,520	£5,711,317	£-328,172	33
2022-09-30	£5,621,266	£5,309,195	£-49,375	32
2021-09-30	£3,517,339	£3,723,196	£-361,446	39
2020-09-30	£3,760,449	£3,749,154	£-155,589	45

Trustees

Name	Role	Appointed
MARTIN JAMES YOUNG	Chair	2018-10-16
DAVID DORRICOTT		2008-07-11
Debra Green OBE		2021-07-05
ELAINE MARGARET DUNCAN		2012-09-20
HUGH ANTHONY FRANCIS		2023-11-22
Olivia Amartey		2021-07-05
Rev Christopher Rogers		2021-09-21
Tania Bright		2016-03-10
Tsanangurai Constance Tarima		2026-01-22

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England & Wales - Charity number 1126997

Accounts

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2024**

**Company Number: 06667924
Charity Number: 1126997**

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2024

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ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS

Introduction from the Chair of Essential Christian

Essential Christian has continued to innovate and expand its ministry impact in 2024, building on the strong foundations of previous years. Spring Harvest was once again a remarkable success across both sites, with record attendance and a significant milestone—the introduction of livestreaming into UK prisons. For the first time, 65,000 prisoners had the opportunity to engage with the teaching and worship at Spring Harvest, free of charge. This pioneering initiative has been a powerful demonstration of our commitment to reaching people in all contexts with the hope of the gospel. The digital space has been another area of significant development.

MySpringHarvest reached 8,000 users, broadening its impact, while the team successfully developed the tiered subscription model for MySpringHarvestPlus as a minimum viable product, laying the groundwork for further digital engagement and sustainability.

In our resources, we created our first audiobook, which fed into our desire to work purposefully in the area of additional needs and serve those for whom this product opens up their ability to embrace ministry and the work of Spring Harvest.

Similarly, we were blessed by new donors who helped us juggle the ministry we deliver alongside the costs it takes to make it happen, which are over and above the ticket prices we feel we can charge. A match-funded offering in 2024 significantly elevated generosity among our guests, inspiring them to give more as a result.

Our song publishing arm, Song Solutions, also experienced growth, with an increase in signed songs aimed at equipping the church and supporting songwriters in both the worship and mainstream music sectors. Many of these artists see their music as a missionary tool, reaching beyond traditional church settings to inspire faith in new ways.

In the Essential Event Management (EEM) sector, our work in event partnerships and logistics saw continued momentum. Existing relationships were strengthened, and new clients came on board in 2024. The expertise and dedication of the EEM team have been instrumental in serving the wider Spring Harvest vision and enabling other Christian organisations to deliver their events effectively.

Throughout these advancements, we have remained committed to our mission of gathering the church, growing faith, and seeing transformation in society. The ministry impact remains at the heart of everything we do, and we continue to explore new opportunities for innovation, collaboration, and outreach.

Of course, none of this would be possible without our dedicated staff team, our extended family of partners, and the unwavering support of the Board. Their commitment and passion drive this ministry forward, and for that, I express my deepest gratitude.

Above all, we do this to glorify God, trusting Him to lead us as we step into the future with faith, vision, and a continued desire to serve the church and wider community.

Martin Young
June 2025

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

The Directors have pleasure in submitting their report together with the audited group financial statements for the year 1 October 2023 to 30 September 2024 which have been prepared in accordance with the current statutory requirements, the company's memorandum and articles of association and the Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

Reference and Administrative Details

<u>Charity Number</u>	1126997
<u>Company Number</u>	06667924
<u>Principal / Registered Office</u>	14 Horsted Square Uckfield East Sussex TN22 1QG
<u>Bankers</u>	Lloyds Bank plc 8 High Street Lewes East Sussex BN7 2AD
<u>Solicitors</u>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
<u>Auditors</u>	Xeinadin Audit Limited 5 Robin Hood Lane Sutton Surrey SM1 2SW

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Directors

The directors who held office during the year and up to the date of signing were as follows:

Non-executive directors

Ms Olivia Amartey
Ms Tania Bright
Mr David Dorricott
Ms Elaine Duncan
Mr Hugh Francis
Ms Debra Green OBE
Rev Christopher Rogers
Mr Martin Young

Chair

Chief Executive

Mr Phil Loose

Ethos

Essential Christian is a Christian organisation. Its reason for existence and ongoing ethos is to serve Jesus Christ and represent Jesus Christ and his teaching to the world. This service is undertaken through delivering the objectives and activities of the Charity for the public benefit.

Objectives and Activities

The object of the charity is to advance the Christian faith throughout the world and to do so principally, but not exclusively by:

- serving the Christian church worldwide.
- enabling the Christian church worldwide.
- informing, inspiring and equipping Christians to live out their Christian faith with biblical integrity, heartfelt unity, and cultural relevance.
- encouraging people to live as disciples of Jesus Christ.

The charity seeks to promote Christian faith and teaching, discipling, and evangelism, and to contribute to the quality of life of individuals and families, whether they are currently engaged with the Christian church or on a personal spiritual journey.

The strategies employed to achieve the company's objectives for the year included:

- the provision of the annual Spring Harvest teaching event, both on-resort and online, available to people of all ages, from all sections of the community.
- assisting with the delivery of holidays with Christian teaching at a resort in France.
- delivering booking and conference infrastructures for events provided by other organisations.
- producing printed material.
- recording and distributing audio and video teaching material.
- producing and publishing Christian music.
- providing a royalty administration service.
- enabling access to audio, video and written materials.
- offering discounts to make Spring Harvest accessible to those otherwise unable to come.
- making Spring Harvest available to over 70 prisons and 60,000 prison cells.
- donations to other Christian work.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Public Benefit

The directors are aware of their responsibility to ensure that the charity provides public benefit. Essential Christian aims to equip and enable the Church and her members through providing events and resources. Accordingly, the activities provide spiritual benefit to many people, assist churches to serve their communities, and help schools with collective worship.

Essential Christian:

- promotes the study of and application of the Bible through seminars and addresses at Spring Harvest and Spring Harvest Holidays, and through audio and video recordings both from its own events and other events.
- gives opportunities to engage in corporate prayer and praise, often with many people.
- provides opportunities for families to enjoy time together in a relaxed, teaching setting.
- records and distributes Christian music.
- makes its expertise in conference management available to other organisations.
- produces materials for primary school assemblies.
- makes Spring Harvest available to over 70 prisons and 60,000 prison cells.

Spring Harvest Home (our online event) offers a low-cost way to engage with the event. Discounts and grants are available to assist people experiencing financial hardship to attend the Spring Harvest event. It also streams for free into many prisons around the UK.

Structure, Governance & Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 8 August 2008 and registered as a charity on 28 November 2008. The company is governed by its Memorandum and Articles of Association. There are currently 8 members and Directors of the company.

Board of Directors

The Board carries the legal and financial responsibility for the charity and establishes the vision and mission while monitoring its activities and policies. The Board met 7 times over the year. In addition, there is a Finance Committee made up of between two and four Board members, the CEO and three other staff members.

Directors have a wide knowledge of the beneficiary and potential beneficiary group served by the charity. All Directors are invited to nominate new Directors, having regard to the skills, experience or representation identified as being required at the time. Suggestions may also be sought from others who know the charity well. Full discussion takes place on each of the nominees before an appointment is made.

The Board of Directors is satisfied that both the legal and financial needs of the company are well served by its current professional advisors.

A register of interests is held on the Directors and is updated annually.

Directors' Induction and Training

New Directors often come with extensive experience on the boards of other charities or businesses and are familiar with Essential Christian having participated in one or more of its activities. Most new Directors come with a high level of awareness of the company's objectives, structures, and operational activities.

New Directors are supplied with the Memorandum and Articles of Association, current minutes and recent financial reports, and the statement of Beliefs, Purpose, and Values. They are also directed to the current Charity Commission publications for new trustees.

Before attending their first Directors' meeting the Chief Executive and/or the Chair will seek to meet the new Director to answer any questions they may have. Where appropriate, additional induction and meetings with other Directors and staff will be provided.

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REPORT OF THE DIRECTORS (continued)

Structure

The charity operates under brands to distinguish its activities.

- Spring Harvest
The Spring Harvest main event takes place within the Easter school holidays at Butlin's sites in Minehead and Skegness, as well as online called 'Spring Harvest Home'.
- Big Start Assemblies
Inspired by the Big Start programme at Spring Harvest, this online resource offers ready-to-use material for Key Stages 1 and 2 primary school assemblies, with presentations, videos, songs, and scripts designed to meet Ofsted and SIAMS requirements. Currently over 250 schools use this resource.
- EC-GO (Essential Christian – GO!)
This online subscription platform is our 'takeaway teaching' site and provides over 10,000 recordings of inspirational teaching from many events in the UK, including 2,000 from Spring Harvest, many of them with Closed Captions or British Sign Language. They are from Essential Christian, and you can listen to them 'on the go!'
- Song Solutions
Song Solutions supports songwriters and artists through song publishing and song administration of works, both owned by the charity or on behalf of clients in the UK and worldwide. Through its work in A&R, it also signs and nurtures new and established writers to support them as they develop their careers.
- Essential Christian Songs
Our song discovery platform is a website featuring songs we administrate and publish, with a search facility to allow worship leaders to find the song they need for their church service. This resource provides worship leaders and others with tools to find, learn and lead the ideal song for a particular context.
- Essential Event Management
Using the experience built up over many years running Spring Harvest and other events, Essential Event Management makes these event-delivery skills available to the wider Christian community and beyond.
- Spring Harvest Holidays
Operating as a separate company, with its own board and governance, Spring Harvest Holidays extends the vision of Spring Harvest into France offering a mix of holiday relaxation and spiritual input at its resort in the Vendée region. Many Spring Harvest speakers give Bible teaching during the season. Essential Christian provides management services to Spring Harvest Holidays.

In furtherance of its activities Essential Christian has two wholly owned subsidiaries: Song Solutions Ltd, which in turn owns Copycare Pacific Pty Ltd, which undertakes copyright administration; and Daybreak Music Ltd, which owns several copyrights.

Further details are given in Note 10 to the financial statements.

Management & Staffing

The Chief Executive appointed by the Board is responsible for the day-to-day operations of the charity and has delegated authority for operational matters, including day-to-day finance, communications, and business development. In addition, the Chief Executive is responsible for recruiting the staff team and ensuring that there are the skills and expertise needed to run the charity. The charity is well served by a highly motivated staff team, which includes some recent appointments alongside experienced individuals on the senior team.

The key management personnel of the charity are the chief executive and directors listed on page 3. All non-executive directors give of their time freely and no director received any remuneration in the year for being a director. Payments are sometimes made for additional services. Details of directors' payments, expenses and related party transactions are disclosed in Notes 7.3 and 21 to the financial statements. The pay of the Chief Executive and other staff is reviewed annually.

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REPORT OF THE DIRECTORS (continued)

The Spring Harvest event programme is devised by a Planning Group, which reports to the Board, and which prayerfully considers the event programme and its delivery every year. The Group includes two Board members and several others who together bring theological and leadership skills. Membership changes periodically so that the group is refreshed from time to time. Whenever possible, the group is drawn from across the denominations of the church to reflect the needs of the whole church in the UK.

Risk Management

The Directors have a risk management strategy which comprises:-

- an annual review document showing the risks to the organisation and the control measures to be taken, covering areas of governance, management, activities, premises, IT, finance, litigation and reputation.
- consideration of this document by the Board and of those areas where greater risks are identified.
- the establishment and implementation of systems and procedures where possible to mitigate those risks.

Based on this risk review, the Directors consider the highest risks, and how they may be mitigated, to be:-

- A reduction in the number of guests at Spring Harvest physical events leading both to a reduction in delivering its ministry and to a loss of income. This could be because of a commercial decision by the resort owners, the pattern of annual school holidays, future coronavirus restrictions or other circumstances outside the charity's control. The ministry impact can be mitigated by digital delivery, which also allows more people to engage and do so remotely, but it does not deliver the same level of income.
- Insufficient donor income. Donations are critical to the charity's ability to sustain the activities. Work is being done to increase the number of supportive donors.

Achievements and Performance

Essential Christian's activities fall into three broad categories: Conference and Event Ministry, Ministry Resources, and Grant-making.

(1) Conferences and Event Ministry

This includes Spring Harvest, Spring Harvest Holidays and activities undertaken by Essential Event Management on behalf of other organisations.

- Spring Harvest 2024 was called "Up and Alive" and was hosted at Butlins in Skegness and Minehead.

We explored what it means to live the life we have been made for, truly embracing the call to be '**Up and Alive.**' Ephesians 4:1 urges us to, 'live a life worthy of the calling [we] have received.' But what does it really mean? Digging into the book of Ephesians as a whole, we'll discover that we can:

- **Look Up** to get a bigger picture of who God really is...
- **Wake Up** to the new life he has given us in Christ...
- **Dress Up** with the attitudes and tools he has given us...
- **Stand Up** humbly for God and for others... and
- **Rise Up** again and again in his strength.

More than 12,000 people attended in person, including team members and day visitors. Both resorts were full. Others engaged online in their homes or watched in one of the prisons where the event was available for the first time.

The range of large venues on the resorts makes it possible to run several programmes simultaneously. Age-appropriate programmes in several age groups were held for under 18s alongside the programme for adults which included two Bible studies on each of the full days offering different approaches and three evening Celebrations, as well as theme sessions, a range of seminars and workshops, matinee performances and evening entertainment. All age groups addressed the same core theme, adapted appropriately, so when back in their family or church group they can share what has been learnt.

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REPORT OF THE DIRECTORS (continued)

Mornings began with an all-age, dynamic 'Big Start', was held in the updated Studio 36 at Skegness and a 2,300 seater temporary structure at Minehead. For adults this was followed by the main Bible teaching and then sessions covering the key themes as well as Parenting, Mental Health, and a specific programme from *Count Everyone In* for those families living with disabilities. We continued our work with Alpha sessions where people could ask questions like "Why am I here?", "Where am I heading?" and "Who is Jesus?" and explore the historical evidence for who Jesus is and how the Holy Spirit fits into the picture. There was also a dedicated creative space for those children and their families who did not want to attend groups as well as those who enjoyed a more creative approach. Alongside the seminars and workshops there was a comprehensive, family focused sports programme each afternoon. In the evenings there were celebrations for corporate worship and teaching. For guests who did not want to attend a session, perhaps while they looked after small children, the main meetings could be accessed in guest accommodation online through the digital event programme and in some chalets through the internal TV system.

The event was made accessible to guests with disabilities through the provision of BSL signing, speech to text, loop systems, braille, and large print material. Multi-sensory areas were available in children's and youth venues. An experienced disability co-ordinator was available at each location to handle questions which may arise on a one-to-one basis. A stream for adults with learning disabilities was organised in conjunction with the charity *Count Everyone In*.

A highly skilled and experienced pastoral team was available at each event to meet with individuals. This team also served as the prayer ministry team after the evening celebrations for guests who requested prayer.

Spring Harvest is only able to run because many people give their time freely to assist in many ways and we are very grateful for their support. To deliver the event, over 800 team members were recruited, the majority being volunteers. Because there are children and vulnerable adults at the event, a system is in place to make appropriate checks with the Disclosure and Barring Service and to take up references on team members.

Guests gave £209,000 to the main Offering appeal. Of this, a tithe of 10% went towards a Seed Fund for new projects across the UK (see below) and 90% was to support Essential Christian's ministries, including the *Everyone In* fund which provides discounts and bursaries to help people on low incomes to attend Spring Harvest. A further £2,100 was given in the Youth and Children's Offerings for the *Everyone In* fund. Details of restricted funds are given in Notes 15 and 19 to the financial statements.

In 2024 we were honoured to be able to match fund the offering through a generous donor, who themselves wanted to inspire generosity in others. This is one of the reasons why we believe we had an increased main offering.

Spring Harvest is passionate about making spaces where all ages can encounter Jesus and be equipped for life with him. Our events and resources, in-person and online, help all people meet with God and be empowered for the spiritual adventure they've been called to live. It encourages those who attend or who watch in their homes to live as disciples of Jesus Christ. So far as we are aware, over six hundred young people across all age groups chose to become disciples this is alongside decisions made by those over 21. Many positive comments were received from guests including:-

"I was very blessed to connect with friends and get some respite and rich teaching and worship and prayer to replenish my low reserves."

"Amazing to witness someone being healed and getting up from their wheelchair!"

"Having prayed hard at Spring Harvest, no miracle cure happened. But I did come home feeling spiritually uplifted and in a better frame of mind to live with this condition while I await healing."

"The dark cloud that had been hanging over me had lifted, there was a new lightness in my heart that has remained since then. My circumstances haven't changed much (although my sleep has improved) but I can honestly say that I feel I've got God's smile back." "I am going home not angry but completely refreshed, in less pain, having slept, and more on fire for God, like I used to be!"

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

"I can't describe in words how positively this has influenced my person, but I know that without what I experienced within that space, I would not to this day feel so incredibly rich in spirit and God's love."

"My highlight of the week has to be Cris Roger's Bible study and teaching, it was vibrant and alive, as well as being incredibly accessible."

Spring Harvest Home

This was online from Skegness in 2024 and reached over a thousand homes. Content came from Studio 36 to include Big Start, Bible teaching and the evening Celebrations as well as live interviews with various invited guests across the week. Live chat was available throughout the week that allowed a community to form. People were able to make prayer requests that were responded to by prayer pastors in the chat.

Prisons

In 2024 Spring Harvest continued their partnership with Prison Chaplaincy UK and WayOut TV, an in-cell broadcasting station, available in 68 prisons. The evening Celebration from Studio 36 was broadcast live, available in 65,000 prison cells across the country. Thousands of prisoners engaged, and some wrote in to WayOut TV to say thank you and ask for it to be repeated. Prison Fellowship provided a 24-hour prayer request answerphone for all prisoners and Spring Harvest worked closely with prison chaplains to build follow up discipleship resources.

MySpringHarvest

MySpringHarvest is where Spring Harvest is resourcing the church all year round, equipping and resourcing Christians across the UK and beyond. With MySpringHarvest you have access to articles, podcasts, videos, songs and much more. All guests must do is sign up for free and then they receive articles straight to their inbox. At our event each year, MySpringHarvest changes to become the online programme and place to access all that is going on within the resort. It acts like an 'app' but is a website, which makes it more cost effective for us to develop and manage. In 2024 this grew to over 8,500 users, showing an annual net growth rate of 40%.

- Spring Harvest Holidays

The 2024 summer season saw 4,864 individuals come to LPO. Many of these people stayed for more than one week.

The offices of Spring Harvest Holidays are situated within Essential Christian's premises and during the year the charity provided administrative and management assistance, the costs of which were reimbursed under a management agreement between the charity and Spring Harvest Holidays Ltd.

- Event Services

Through *Essential Event Management* the charity assisted many other agencies to run their events both online and in-person. Online provision included event platforms, technical support, working with the client to create the user interface and experience, and providing ticketing and registration facilities. For physical events, our services included full event management, venue research and procurement, technical provision, logistics, health and safety, and CAD drawings to facilitate event planning.

Organisations assisted included Open Doors, Care for The Family, Trussell Trust, Commission Festival, SPCK, Divine Renovation UK (a new client for 2024) as well as significant work for Spring Harvest and the new SH Carol Service at Westminster Chapel

In 2024 we continued to see an increase in physical event enquiries. This was encouraging for us as we look for this area of work to develop a surplus to provide support for our other ministry growth areas.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

(2) Ministry Resources

This includes activities undertaken through the Essential Christian and Song Solutions brands in creating audio, video and print media, making these available to purchasers, and in copyright administration and royalty collection.

- Music

Spring Harvest 2024 worship was recorded and made available across all digital platforms. The songs were released over a period of months and saw very good engagement. Digital streaming of back catalogue songs grew and, in part, replaced lost revenue from physical product sales. We now see the release of music as part of our marketing strategy too – and in 2024 began utilising Spotify advertising to encourage people who love our recordings to come to Spring Harvest.

Alongside this, a new label imprint was started called Seachange. This has already started to sign some new writers to it under a charitable intent and a new innovative model.

- Books

Our partnership with SPCK enabled resources for Spring Harvest which were once again our main theme book, our workbook for small groups and the second kids annual called 'Big Start Annual 2'. We saw significant sales of these at our event, and we have some options now for the future as new markets are there for us to reach out to, including Amazon, where we have potential to grow as well as find new publishers who can innovate in this space.

- Spoken Word

Our work in recording other people's spoken word has declined, although we still offer it as a service. However, the innovation of our EC-GO talks platform was developed in 2024 ready for launch at the 2025 event and updated to be called MySpringHarvestPLUS through selling recurring subscriptions at Spring Harvest.

Recordings were also made available in 2024 in USB format for those who want something physical, and we saw strong sales of these once again. Our work on YouTube and growth there helped us to promote more 'Legendary Talks' as well as showcase some of our Podcasts.

- Sales

The essentialchristianstore.com website was strategically renamed to springharveststore.com, which operates in partnership with St Andrew's Bookshop and carries a range of music, DVDs, Bibles, books, church resources and Christian gifts. Sales also took place through Christian bookshops and other online retailers. This online store gives Essential Christian a small commission on all sales whether they are published by us or not.

- USB Duplication

We still see some demand for USB talks at Spring Harvest and the team delivered these through the year.

- Copyrights administration

Under Song Solutions (Copycare) Essential Christian administers over 150,000 songs globally from its own office and through franchise partners around the world. This has potential to increase through securing new administration catalogues of Christian music.

Song Solutions (Daybreak) saw growth again in its catalogue of songs where the charity owns the copyright, and this includes a large selection of children's songs which are used in school assemblies. Our new Seachange model continued to be adopted by invited writers, and we saw many new songs released in the course of the year.

During the course of the year we signed directly with USA PRO's to enable us to collect directly following Music Services decision to pull out of our agreement as they were purchased by SESAC. We can now sign directly in the US and this should enable us to grow.

- Big Start Assemblies

Inspired by the 'Big Start' at the beginning of each day at Spring Harvest, the charity provides an all-in-one package for collective worship in primary schools. It uses stories from the Bible with videos, music and scripts and was trialled at schools in Sussex and Kent before being launched more widely in March 2018. Schools across the country renew their subscriptions of this valuable resource year-on-year. Discussions with dioceses

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

and trusts continue. There are 124 assemblies available, and work continues to promote and market Big Start Assemblies to teachers, head teachers and schools.

(3) Grants and Grant making

Funds for grant making came from the generosity of guests at the Spring Harvest events who support the annual appeals, from guests at Spring Harvest Holidays and from donations received from new Grant Making Trusts as a result of our request. Details of restricted funds and grants are given in Notes 15 and 19 to the financial statements. Organisations receiving grants are asked to submit written or video reports on the use of the funds within a year.

- Spring Harvest

The charity's policy is to channel funds available from the tithe of the Spring Harvest Offering to projects relevant to the teaching theme for the year. Guests were invited to submit proposals for seed funding to start projects which would prioritise the next generation or to demonstrate practical love and service, which were then considered against criteria. In 2024, we reported back on 8 community projects that were successful in applying for funding during the previous year. Grants ranged from £1,000 to £2,500.

Gifts given through the Partnership Scheme and from the not-tithed portion of the offering supported Essential Christian and Spring Harvest, including the 'Everyone In' fund. This helped over 700 people with discounts and bursaries so that individuals and families on low incomes could come to Spring Harvest.

- Spring Harvest Holidays

Money given by guests at Spring Harvest Holidays was distributed via Spring Harvest Holidays Ltd to organisations in France, to sponsor those volunteering at Le Pas Opton and to provide bursary support to some families and individuals.

Financial Review

Overall, there was a small overall deficit of £37,000, although the addition of a new Restricted Fund for Inclusivity resulted in an increase of Restricted Funds of £22,000

The charity's main sources of income are from its charitable activities and from donations. Donations are very important, particularly to support the Spring Harvest event and to provide the 'Everyone In' fund for people on low incomes to attend. The Board and staff are grateful to Spring Harvest guests who gave to the Offering and to supporters who gave regularly through the year. Together they donated over £385,000 in the year and they make a significant contribution to maintaining Spring Harvest into the future. The Board is also grateful for other donations from individuals and trusts of £320,000.

Income for Conference and Events ministry was £2,882,000 and expenditure £3,645,000, 5% and 3% more than the previous year. Spring Harvest saw both its income and costs affected by inflation. Essential Events Management continues to run small to medium sized events for other charities.

Ministry Resources income was £1,571,000 and expenditure £1,642,000, 0.6% and 1.6% more than the previous year. The increase in costs was because of a donation to enable Song Solutions to extend its work in developing and publishing new songs for the church and in particular supporting emerging artists. In time this is expected to lead to higher income flows in perhaps two or three years as these songs are used in churches and royalties flow through to the charity.

The Board regularly considers the charity's activities and its future, exploring new ways of working and increasing sources of income to maintain its ministry. Cash flow is uneven during the year, and there is a need for loans which builds through the year until March, when Spring Harvest revenues are usually received. With the financial support of a corporate backer who has provided substantial cash flow assistance, the trustees have been satisfied that the Charity can operate on a sound financial footing.

Reserves Policy

The Board considered the charity's requirement for reserves. It is mindful of the risks facing the organisation and the need for reserves.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

There were no freely available reserves (which excludes fixed assets, restricted funds, and minority interests) at the year end. The charity was able to meet its obligations because of a loan facility made available to the charity, and a facility is in place which is sufficient to cover anticipated financial needs for at least the next 12 months.

Fundraising Policy

In line with the reporting requirements included in the Charities Act 2016, the Trustees confirm that all fundraising is carried out in compliance with best fundraising practice. The main request for funds is made during the Spring Harvest event. The purposes are clearly described.

The charity is registered with the Fundraising Regulator and follows the Code of Fundraising Practice. During the year we began to work with some professional fundraisers to begin to access grant making trusts. Few appeals were made by email or letter and none by telephone so vulnerable people were protected from intrusive requests. A complaints procedure is set out as part of the Privacy Policy on the website and states that every effort will be made to resolve complaints within 10 days. No complaints or criticisms were raised concerning the fundraising activities. The charity is also registered with the Fundraising Preference Service. No requests for action were received from this service.

2025 and Beyond

The Board continues to believe that the charity's activities are a valuable resource for the Church yet is also aware that it needs to find further sources of donor funding and develop the ways its resources can be accessed. The Board aims to:

- Develop and grow Spring Harvest as an annual event and with more weeks to equip the Church for action all year round, and especially to resource small and medium-sized churches.
- To build in the area of digital and develop the SpringHarvest365 concept, serving Christians across Europe entitled 'MySpringHarvest'.
- ECGO, rebranded MySpringHarvestPLUS will become a paid for tier on the MySH site.
- Repurpose the Essential Christian Songs website to become 'Songs for The Church', having had two successful years of giving out a new free songbook resource to over 2,000 churches in the UK.
- Sign more songwriters to create new songs for the Church including writers considered to be amongst the top in their field, alongside Jake Isaac and Anna Hamilton.
- Continue work to grow revenue in song publishing and online events, to become best in class, embracing new technologies.
- Having rebranded our Partnership scheme to provide increasing gift income, seek new donors to support the ministry, and find new sources of revenue through sponsorships or advertising as well as new resource development.
- Expand our work assisting other organisations in running their events, both physical and online, recognising that event management is a strong skill we want to offer out to others.
- Develop new partnerships in 2025 specifically in SHHome and online areas.

Other information

Disabled employees

The company has procedures in place regarding the employment of disabled staff to ensure that no current or potential member of staff is disadvantaged due to disability and that all staff have equal access to training, career development and promotion.

Employee consultation

The company acknowledges the importance of staff communications and involving staff in decisions that directly affect them and their work. Several procedures and activities are in place to support decision-making and communications, including meetings held corporately, departmentally, team based and individually; and staff participation in decision making as it affects terms of employment.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 Directors to prepare financial statements for each financial period which give a true and fair view of the situation of the company and the incoming resources and application of resources, including the net income or expenditure, of the company for the period.

In preparing those financial statements, the Directors are required to:

- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable United Kingdom 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 company's operations will continue.

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

Disclosure of information to auditors

To the knowledge and belief of the Directors, there is no relevant information that the company's auditors are not aware of, and the Directors have taken all the steps necessary to ensure the Directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Registered office
14 Horsted Square
Uckfield
East Sussex
TN22 1QG

ON BEHALF OF THE
DIRECTORS



M Young
Chair

Date:

ESSENTIAL CHRISTIAN

Opinion

We have audited the financial statements of Essential Christian (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 30 September 2024 and the group's incoming resources and application of resources, including the group income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Material uncertainty related to going concern

The charity recorded a deficit of £58,470 on unrestricted funds for the current year, the consolidated general funds are still negative by £417,965 and net current liabilities stand at £463,096. We also draw attention to the disclosure made in note 1.2 to the financial statements concerning the charitable company's ability to continue as a going concern. The financial position of the charity represents a material uncertainty which may cast doubt about the charitable company's ability to continue as a going concern. Despite this our opinion detailed above is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial period for which the group financial statements are prepared is consistent with the group financial statements; and
- the directors' 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 group and parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the directors' report.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group 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 group financial statements, the directors are responsible for assessing the group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ESSENTIAL CHRISTIAN (continued)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to reviewing trustees minutes, challenging significant accounting estimates, evaluating the internal controls, agreeing financial statement disclosures to underlying supporting documentation and testing journal entries.

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 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Xeinaidin Audit Limited, Statutory Auditor
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date:

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024 Unrestricted funds £	2024 Restricted funds £	2024 Total funds £	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £
Income from						
<i>Donations and legacies</i>	560,226	153,016	713,242	656,487	334,941	991,428
<i>Investments</i>	2 6,893	-	6,893	1,388	-	1,388
<i>Charitable activities</i>						
Conferences and Event Ministry	2,881,706	-	2,881,706	2,740,897	-	2,740,897
Ministry Resources: Creation, Sales and Royalties	3 1,575,869	-	1,575,869	1,561,450	-	1,561,450
<i>Other sources</i>	4 160,617	-	160,617	137,357	-	137,357
Total income	<u>5,185,311</u>	<u>153,016</u>	<u>5,338,327</u>	<u>5,097,579</u>	<u>334,941</u>	<u>5,432,520</u>
Expenditure on	5					
<i>Raising funds</i>	35,468	-	35,468	35,832	-	35,832
<i>Charitable activities</i>						
Grants and Grantmaking	7,183	45,652	52,835	6,982	507,594	514,576
Conferences and Event Ministry	3,559,540	85,540	3,645,080	3,353,791	187,420	3,541,211
Ministry Resources: Creation, Sales and Royalties	1,641,590	-	1,641,590	1,619,698	-	1,619,698
Total expenditure	<u>5,243,781</u>	<u>131,192</u>	<u>5,374,973</u>	<u>5,016,303</u>	<u>695,014</u>	<u>5,711,317</u>
Net income/(expenditure)	(58,470)	21,824	(36,646)	81,276	(360,073)	(278,797)
Transfer between funds	-	-	-	-	-	-
Net movement in funds	<u>(58,470)</u>	<u>21,824</u>	<u>(36,646)</u>	<u>81,276</u>	<u>(360,073)</u>	<u>(278,797)</u>
Reconciliation of funds						
Fund balances brought forward	(360,659)	28,499	(332,160)	(443,263)	388,572	(54,691)
Minority interests	1,164	-	1,164	1,328	-	1,328
Fund balances carried forward	<u>(417,965)</u>	<u>50,323</u>	<u>(367,642)</u>	<u>(360,659)</u>	<u>28,499</u>	<u>(332,160)</u>

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

All incoming resources and resources expended derive from continuing operations.

The notes on pages 20 to 31 form part of these financial statements.

ESSENTIAL CHRISTIAN

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8a		66,012		62,352
Intangible assets	9		32,266		36,447
			<u>98,278</u>		<u>98,799</u>
Current assets					
Stocks	11	5,950		8,507	
Debtors and prepayments	12	256,356		232,328	
Cash at bank		368,670		356,234	
		<u>630,976</u>		<u>597,069</u>	
Creditors: Amounts falling due within one year	13	<u>(1,094,072)</u>		<u>(1,024,040)</u>	
Net current (liabilities)			<u>(463,096)</u>		<u>(426,971)</u>
Net (liabilities)	16a		<u>(364,818)</u>		<u>(328,172)</u>
Funds					
Unrestricted funds	14a		(417,965)		(360,659)
Restricted funds	15		50,323		28,499
			<u>(367,642)</u>		<u>(332,160)</u>
Minority interests			2,824		3,988
Total funds			<u>(364,818)</u>		<u>(328,172)</u>

The notes on pages 20 to 31 form part of these financial statements.

These financial statements were approved by the Directors on their behalf by:

and signed on



M Young
Director

Company number: 06667924

ESSENTIAL CHRISTIAN

COMPANY BALANCE SHEET AS AT 30 SEPTEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8b		66,012		62,352
Intangible assets	9		32,266		36,447
Investments	10		1,128		1,128
			<u>99,406</u>		<u>99,927</u>
Current assets					
Stocks	11	5,950		8,507	
Debtors and prepayments	12	255,256		231,228	
Cash at bank		310,917		233,339	
		<u>572,123</u>		<u>473,074</u>	
Creditors: Amounts falling due within one year	13	<u>(1,045,675)</u>		<u>(914,381)</u>	
Net current (liabilities)			<u>(473,552)</u>		<u>(441,307)</u>
Net (liabilities)	16b		<u>(374,146)</u>		<u>(341,380)</u>
Funds					
Unrestricted funds	14b		(424,469)		(369,879)
Restricted funds	15		50,323		28,499
Total funds			<u>(374,146)</u>		<u>(341,380)</u>

The notes on pages 20 to 31 form part of these financial statements.

The company's net expenditure for the year ended 30 September 2024 was £32,766 (2023: £274,371).

These financial statements were approved by the Directors on
their behalf by:

and signed on



M Young
Director

Company number: 06667924

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Net cash provided by/(used in) operating activities	(i)		51,853		(271,425)
Cash flows used in investing activities					
Interest received		6,893		1,388	
Payments for tangible fixed asset additions		(36,960)		(35,769)	
Payments for intangible fixed asset additions		(9,350)		(26,313)	
Net cash (used in) investing activities			(39,417)		(60,694)
Net cash inflow/(outflow)			12,436		(332,119)
Cash and cash equivalents at start of year			356,234		688,353
Cash and cash equivalents at end of year			<u>368,670</u>		<u>356,234</u>

(i) Cash flows from operating activities

	2024	2023
	£	£
Net (expenditure)/income for the year	(36,646)	(278,797)
Interest receivable included in investing activities	(6,893)	(1,388)
Depreciation	33,300	38,330
Amortisation	13,531	9,028
Decrease in stocks	2,557	16,123
(Increase)/decrease in debtors	(24,028)	72,908
Increase/(decrease) in creditors	70,032	(127,629)
Net cash provided by/(used in) operating activities	<u>51,853</u>	<u>(271,425)</u>

(ii) Analysis of change in net debt

	At 1.10.23	Cash flows	Non-cash changes	At 30.9.24
	£	£	£	£
Cash at bank and in hand	356,234	12,436	-	368,670
Other loans within one year	(575,000)	-	-	(575,000)
	<u>(218,766)</u>	<u>12,436</u>	<u>-</u>	<u>(206,330)</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

1 Accounting policies

Charity information

Essential Christian is a private company limited by guarantee incorporated in England and Wales. The registered office is 14 Horsted Square, Uckfield, East Sussex TN22 1QG.

1.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2020) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Essential Christian meets the definition of a public benefit entity under FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The support we have received from a corporate backer, in both gifts and cashflow assistance gives confidence to the trustees that the charity can continue to operate on a sound financial footing for the next 12 months. This has been augmented with other corporate sponsorship which is likely to continue as larger Christian charities are increasingly keen to partner with Essential Christian. The trustees are actively seeking more high net worth donors - the large three year grant which started two years ago is an encouraging sign that Essential Christian can indeed attract such backing. Trustees are also examining ways to cut costs such as reduce office space. For these reasons the accounts are prepared on a going concern basis.

1.3 Consolidation

The group financial statements combine the results of the company and its subsidiary undertakings, Daybreak Music Limited (dormant), Song Solutions Limited (a holding company for the administration of royalties from Copycare Pacific Pty Ltd) and Copycare Pacific Pty Ltd under the acquisition method. Further details of these subsidiaries is given in note 10.

Essential Christian, Song Solutions Ltd and Daybreak Music Ltd have reporting dates of 30 September. Copycare Pacific Pty Ltd has a reporting date of 30 June but produces figures to 30 September that are incorporated into the consolidated financial statements. A separate Statement of Financial Activities for the charity itself is not presented.

1.4 Income

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the directors' estimated market value at the time of receipt. Income is shown net of VAT and other sales taxes.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

1 Accounting policies (continued)

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including rent of premises, are charged directly to the activity when incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition. Donated assets are included at fair value. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Motor vehicles	– over 4 years
Equipment	– over 4 to 10 years
Computer equipment	– over 3 to 4 years

1.7 Intangible fixed assets and amortisation

Intangible assets acquired separately are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Such assets are defined as having finite useful lives and the costs are amortised on a straight line basis over their estimated useful economic lives on the following bases:

Website development	– over 4 years
Intellectual property	– over 3 years

Intangible assets are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.8 Fixed asset investments

Fixed asset investments in subsidiary undertakings are shown at cost less impairment because the fair value cannot be measured reliably.

1.9 Stocks

Stock is stated at the lower of cost and realisable value. Work in progress is recognised on 50% of the total cost of masters of recordings produced in the year.

1.10 Debtors and prepayments

Trade debtors and other receivables are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1.11 Cash at bank and in hand

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

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Creditors includes deferred income, which consist of income relating to events to be undertaken in the next year which have been invoiced and/or received before the year end.

1.13 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

1 Accounting policies (continued)

1.14 Pension scheme arrangements

The pension costs charged represent the amount of the contributions payable in respect of the accounting period.

1.15 Cost of generating funds

This comprises expenditure incurred in the manufacture of goods and provision of services for non-charitable trading purposes and costs attributable to receiving donations.

1.16 Charitable activities expenditure

This comprises expenditure directly related to the objects of the group, including project management and support functions. Support costs are allocated principally on a basis of the proportion of time spent by employees.

1.17 Governance costs

This comprises expenditure to comply with statutory and legal requirements.

1.18 Foreign exchange transactions

Transactions and balances arising from non-UK subsidiaries are recognised at the exchange rate prevailing at the year end.

1.19 Operating lease commitments

Charges under operating leases are incurred in the period to which they relate.

1.20 Fund accounting

Unrestricted funds are expendable at the discretion of the directors in furtherance of the objects of the group.

2 Investment income

	2024	2024	2024	2023
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Bank interest: United Kingdom	6,523	-	6,523	983
Bank interest: Rest of the World	370	-	370	405
	<u>6,893</u>	<u>-</u>	<u>6,893</u>	<u>1,388</u>

3 Ministry Resources: Creation, Sales and Royalties

	2024	2024	2024	2023
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Creation, Manufacture and Duplication of Media	-	-	-	1,418
Product Sales	162,675	-	162,675	165,119
Royalties	1,413,194	-	1,413,194	1,394,913
	<u>1,575,869</u>	<u>-</u>	<u>1,575,869</u>	<u>1,561,450</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

4 Income from other sources

	2024	2024	2024	2023
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Management charges from SHH	159,917	-	159,917	130,620
Management charges from Hope Lebedyn	700	-	700	6,737
	<u>160,617</u>	<u>-</u>	<u>160,617</u>	<u>137,357</u>

This residual management charge signals the end to handling of gifts to Hope Lebedyn, which is now an independent charity.

5 Expenditure

		2024	2024	2024	2023
	Note	Unrestricted	Restricted	Total	Total
		£	£	£	£
Raising funds		35,468	-	35,468	35,832
Grants and grantmaking	19	7,183	45,652	52,835	514,576
Conferences and Events		3,559,540	85,540	3,645,080	3,541,211
Ministry Resources		1,641,590	-	1,641,590	1,619,698
		<u>5,243,781</u>	<u>131,192</u>	<u>5,374,973</u>	<u>5,711,317</u>

6 Net income/(expenditure) for the year

		2024	2023
	Note	Total	Total
		£	£
This is stated after charging:			
Staff costs	7.1	1,159,878	1,189,465
UK auditors' remuneration:			
– for audit services		15,200	14,500
– for non-audit		7,681	6,621
Depreciation		33,300	38,330
Amortisation		13,531	9,028
Operating lease rentals – land and buildings		<u>60,040</u>	<u>72,051</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

7 Employee information

7.1 Staff costs

	Group 2024	Group 2023
	£	£
Wages and salaries	992,922	1,020,670
Social security costs	92,658	94,915
Pension costs	74,298	73,880
	<u>1,159,878</u>	<u>1,189,465</u>
Benefits in kind	19,657	20,238
	<u>1,179,535</u>	<u>1,209,703</u>

7.2 Staff numbers

The average monthly number of employees (excluding non-Executive Directors) during the year was made up as follows:

	2024 Number	2023 Number
On a total head count basis	<u>31.25</u>	<u>32.9</u>
On a full time equivalent basis	<u>26.58</u>	<u>28.3</u>

One employee received emoluments (excluding employer pension costs) between an annual equivalent of £80,000 and £90,000 in the year (2023: one between £80,000 and £90,000); plus employer pension costs of £7,358 (2023: £7,069).

7.3 Directors' emoluments

No remuneration was paid to executive directors during the year. Key management personnel remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) totalled £102,509 (2023: £99,457).

The following amounts were paid to or for the services of the non-executive Directors, as permitted by the Memorandum of Association under contracts for services:

	2024 £	2023 £
O Amartey	300	250
D Green	900	450
C Rogers	<u>691</u>	<u>428</u>

Also during the year, total travel expenses of £2,297 (2023: £1,043) were reimbursed to 4 (2023: 5) directors. Directors' indemnity insurance of £2,696 (2023: £2,838) was paid during the year.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

8a Tangible fixed assets – GROUP

	Freehold Property	Computer Equipment	Fixtures and Fittings	Motor Vehicles	Plant and Machinery	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 October 2023	2,170	178,469	458	25,200	154,180	360,477
Additions in the year	-	-	-	-	36,960	36,960
Disposals in the year	-	-	-	-	(2,272)	(2,272)
At 30 September 2024	2,170	178,469	458	25,200	188,868	395,165
Depreciation						
At 1 October 2023	2,170	150,025	458	25,200	120,272	298,125
Charge for year	-	17,077	-	-	16,223	33,300
Released on disposal	-	-	-	-	(2,272)	(2,272)
At 30 September 2024	2,170	167,102	458	25,200	134,223	329,153
Net book value						
At 30 September 2024	-	11,367	-	-	54,645	66,012
At 30 September 2023	-	28,444	-	-	33,908	62,352

8b Tangible fixed assets – COMPANY

	Freehold Property	Computer Equipment	Fixtures and Fittings	Motor Vehicles	Plant and Machinery	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 October 2023	-	175,366	-	25,200	155,260	355,826
Additions in the year	-	-	-	-	36,960	36,960
Disposals in the year	-	-	-	-	(2,272)	(2,272)
At 30 September 2024	-	175,366	-	25,200	189,948	390,514
Depreciation						
At 1 October 2023	-	146,924	-	25,200	121,350	293,474
Charge for year	-	17,077	-	-	16,223	33,300
Released on disposal	-	-	-	-	(2,272)	(2,272)
At 30 September 2024	-	164,001	-	25,200	135,301	324,502
Net book value						
At 30 September 2024	-	11,365	-	-	54,647	66,012
At 30 September 2023	-	28,442	-	-	33,910	62,352

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

9 Intangible fixed assets – GROUP AND COMPANY

	Intellectual Property	Website Costs	Total
	£	£	£
Cost or valuation			
At 1 October 2023	12,500	35,897	48,397
Additions in the year	-	9,350	9,350
Disposals in the year	-	-	-
At 30 September 2024	<u>12,500</u>	<u>45,247</u>	<u>57,747</u>
Amortisation			
At 1 October 2023	1,736	10,214	11,950
Charge for year	4,167	9,364	13,531
Released on disposal	-	-	-
At 30 September 2024	<u>5,903</u>	<u>19,578</u>	<u>25,481</u>
Net book value			
At 30 September 2024	<u>6,597</u>	<u>25,669</u>	<u>32,266</u>
At 30 September 2023	<u>10,764</u>	<u>25,683</u>	<u>36,447</u>

10 Fixed asset investments – COMPANY

	2024	2023
	£	£
Shares in subsidiaries – cost less impairment		
At 1 October 2023	1,128	1,128
Disposals	-	-
At 30 September 2024	<u>1,128</u>	<u>1,128</u>
Historical cost	<u>1,128</u>	<u>1,128</u>

Essential Christian owns 100% of the issued share capital of Daybreak Music Ltd (company number 01438805) and Song Solutions Ltd (company number 02714955), which are both companies registered in England and Wales at the same address as Essential Christian. Daybreak Music Ltd had net assets at 30 September 2024 of £1,000 and profit for the year then ended of £nil. Song Solutions Ltd had net assets at 30 September 2024 of £100 and profit for the year then ended of £nil.

Essential Christian also holds a 70% stake in Copycare Pacific Pty Limited, a company registered in Australia, by virtue of its 100% shareholding in its immediate parent company, Song Solutions Ltd. Copycare Pacific Pty Limited had net assets at 30 September 2024 of AUS\$18,192 and profit for the year then ended of AUS\$18,005.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

11 Stocks – GROUP AND COMPANY

	2024 £	2023 £
Goods for resale	5,950	8,507
	<u>5,950</u>	<u>8,507</u>

12 Debtors

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	110,586	81,306	110,586	81,306
Other debtors including other taxation	30,747	41,887	29,647	40,787
Prepayments and accrued income	115,023	109,135	115,023	109,135
	<u>256,356</u>	<u>232,328</u>	<u>255,256</u>	<u>231,228</u>

13 Creditors: Amounts falling due within one year

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Other loans	575,000	575,000	575,000	575,000
Trade creditors	36,274	46,064	36,274	46,064
Other creditors including taxation	208,283	211,366	159,886	101,707
Accruals and deferred income	274,515	191,610	274,515	191,610
	<u>1,094,072</u>	<u>1,024,040</u>	<u>1,045,675</u>	<u>914,381</u>

The other loans are interest free and repayable on 30 days notice. Such notice is not to be given before 31 May 2026. They are secured via a fixed and floating charge on the assets of the company.

14a Unrestricted funds – GROUP

	Balance B/F £	Minority interests £	Income £	Expenditure £	Transfers £	Balance C/F £
2024						
General funds	(460,659)	1,164	5,185,311	(5,243,781)	-	(517,965)
Designated funds	100,000	-	-	-	-	100,000
	<u>(360,659)</u>	<u>1,164</u>	<u>5,185,311</u>	<u>(5,243,781)</u>	<u>-</u>	<u>(417,965)</u>
2023						
General funds	(443,263)	1,328	4,997,579	(5,016,303)	-	(460,659)
Designated funds	-	-	100,000	-	-	100,000
	<u>(443,263)</u>	<u>1,328</u>	<u>5,097,579</u>	<u>(5,016,303)</u>	<u>-</u>	<u>(360,659)</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

14b Unrestricted funds – COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
2024					
General funds	(469,879)	4,957,439	(5,012,029)	-	(524,469)
Designated funds	100,000	-	-	-	100,000
	<u>(369,879)</u>	<u>4,957,439</u>	<u>(5,012,029)</u>	<u>-</u>	<u>(424,469)</u>
2023					
General funds	(455,581)	4,809,162	(4,823,460)	-	(469,879)
Designated funds	-	100,000	-	-	100,000
	<u>(455,581)</u>	<u>4,909,162</u>	<u>(4,823,460)</u>	<u>-</u>	<u>(369,879)</u>

The designated fund relates to a donation received designated for the development and growth of Song Solutions.

15 Restricted funds – GROUP AND COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
2024					
SH Partnership Fund	-	81,866	(81,866)	-	-
Seed Fund	24,381	20,906	(29,000)	-	16,287
Everyone In Fund	1,910	5,800	(3,674)	-	4,036
SH inclusivity 2025	-	30,000	-	-	30,000
SHH offerings fund	-	14,444	(14,444)	-	-
SHH offerings fund: Accessibility Fund	2,208	-	(2,208)	-	-
	<u>28,499</u>	<u>153,016</u>	<u>(131,192)</u>	<u>-</u>	<u>50,323</u>
2023					
SH Partnership Fund	-	96,183	(96,183)	-	-
SH North	91,237	-	(91,237)	-	-
Seed Fund	3,440	37,941	(17,000)	-	24,381
Everyone In Fund	-	1,910	-	-	1,910
SHH offerings fund	-	6,784	(6,784)	-	-
SHH offerings fund: Accessibility Fund	2,601	-	(393)	-	2,208
Hope Lebedyn	291,294	192,123	(483,417)	-	-
	<u>388,572</u>	<u>334,941</u>	<u>(695,014)</u>	<u>-</u>	<u>28,499</u>

SH Partnership Fund

The Spring Harvest Partnership Fund comprises gifts made specifically in support of and for running the Spring Harvest event.

SH North

This comprised a donation in 2019 to support Spring Harvest in the North.

SH inclusivity 2025

This comprised a donation in 2024 to support an inclusivity project for the 2025 event.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

15 Restricted funds – GROUP AND COMPANY (continued)

Everyone In Fund

This fund provides discounts and bursaries to help people on low incomes to attend Spring Harvest. The funds include collections from the SH Youth and Children's offerings.

SHH Offerings fund

These funds were given by Spring Harvest Holidays guests to be used to support projects in France, a bursary scheme to assist people who would not otherwise be able to attend, and seasonal children's workers who were moving into ministry or training roles.

SHH Offerings fund: Accessibility Fund

The allows for improved facilities for Spring Harvest Holidays guests with disabilities.

Seed Fund

This was a 10% tithe of gifts to the Spring Harvest offering plus a specific donation to provide seed funding to individuals with a Christian vision to start local projects to restore, renew and serve their communities. In 2024 there was continuing focus on supporting children and young people.

Hope Lebedyn

This comprises funds given in support of a mission centre and church in Lebedyn, Ukraine.

16a Analysis of net assets by fund – GROUP

	2024			2023		
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	£	£	£	£	£	£
Tangible fixed assets	66,012	-	66,012	62,352	-	62,352
Intangible fixed assets	32,266	-	32,266	36,447	-	36,447
Net current (liabilities)/assets	(513,419)	50,323	(463,096)	(455,470)	28,499	(426,971)
Minority interests	(2,824)	-	(2,824)	(3,988)	-	(3,988)
	<u>(417,965)</u>	<u>50,323</u>	<u>(367,642)</u>	<u>(360,659)</u>	<u>28,499</u>	<u>(332,160)</u>

16b Analysis of net assets by fund – COMPANY

	2024			2023		
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	£	£	£	£	£	£
Tangible fixed assets	66,012	-	66,012	62,352	-	62,352
Intangible fixed assets	32,266	-	32,266	36,447	-	36,447
Investments	1,128	-	1,128	1,128	-	1,128
Net current (liabilities)/assets	(523,875)	50,323	(473,552)	(469,806)	28,499	(441,307)
	<u>(424,469)</u>	<u>50,323</u>	<u>(374,146)</u>	<u>(369,879)</u>	<u>28,499</u>	<u>(341,380)</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

17 Constitution of the company and status

The governing instrument of the company is its Memorandum and Articles of Association. The company is limited by guarantee, the liability of each member being limited to £1. At 30 September 2024 there were 8 members (2023: 7 members).

The company is registered as a company with number 06667924, registered with the Inland Revenue and is exempt from corporation tax on its charitable activities.

18 Pension scheme arrangements

The group makes contributions to personal pension plans held by employees. The pension cost charge represents the contributions paid by the group to the funds and amounted to £74,298 (2023: £73,880) for the year.

19 Grants and grantmaking

The following institutional and individual grants were made by the charitable company during the year:

	2024
	£
Institutional grants	
Breath Of Dance	(Spring Harvest Seed Fund) 2,500
Family Holiday Trust	(Spring Harvest Seed Fund) 1,500
First Stop & Reading Street Pastors	(Spring Harvest Seed Fund) 2,500
Gram Seed	(Spring Harvest Seed Fund) 5,000
Healing Eve - Biblical Wellbeing Program	(Spring Harvest Seed Fund) 2,500
Matryoshka Haus UK	(Spring Harvest Seed Fund) 2,500
Rainbow Promise North East and Yorkshire	(Spring Harvest Seed Fund) 2,500
St Martins Family Club	(Spring Harvest Seed Fund) 2,500
The Friendship Lab Course	(Spring Harvest Seed Fund) 2,500
Youth for Christ Gloucestershire	(Spring Harvest Seed Fund) 5,000
SAS Le Pas Opton	(Spring Harvest Holidays) 16,652
Total institutional grants	<hr/> 45,652
Grantmaking costs	7,183
Total grants and grantmaking	<hr/> <hr/> 52,835

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (continued)

20 Financial commitments

The charitable company's total future minimum lease payments under operating leases at 30 September 2024 were payable as set out below:

	2024	2023
	£	£
Within one year	3,711	56,440
Between two and five years	-	-
More than five years	-	-
	<u>3,711</u>	<u>56,440</u>

The operating lease charges for the year were:

	2024	2023
	£	£
Land and buildings	56,440	68,451
Hire of plant, machinery and fittings	3,600	3,600
	<u>60,040</u>	<u>72,051</u>

21 Related party relationships and transactions

ZipAddress Ltd and AFD Software Ltd are companies controlled by D Dorricott, a director of Essential Christian. During the year interest free loan advances of £nil (2023: 350,000) were received by Essential Christian from ZipAddress Limited. £nil (2023: £350,000) was repaid during the year, leaving a balance of £575,000 (2023: 575,000) at the year end.

During the year £159,917 (2023: £130,620) of income relating to management services was received from Spring Harvest Holidays Ltd, a company registered in England and Wales and owned by ZipAddress Ltd and of which D Dorricott and H Francis are mutual directors.

During the year £5,400 (2023: £3,600) of purchases were made from PCC of All Hallows Bromley by Bow, a charity registered in England and Wales of which Christopher Rogers, a director of Essential Christian, is a trustee.

During the year royalties of £2,533 (2023: £3,883) were paid to Elim Sound, which is a ministry of the Elim Foursquare Gospel Alliance, where Rev Olivia Amartey is Executive Director.

The total amount of unrestricted donations received from directors and related parties during the year was £180,300 (2023: £200,300).

Donations of £nil (2023: £5,000) were received from The Stuart Hine Trust which is a charity of which Phil Loose, CEO of Essential Christian, is a trustee.

During the year £93,196 (2023: £21,280) of advertising and sales were made to Home for Good, of which Olivia Amartey is a director and Tania Bright is the CEO. Furthermore £nil (2023: £31) of royalties were paid to Home for Good.

ESSENTIAL CHRISTIAN

STATEMENT OF FINANCIAL ACTIVITIES FOR INDIVIDUAL COMPANY FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024 Unrestricted funds £	2024 Restricted funds £	2024 Total funds £	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £
Income from						
<i>Donations and legacies</i>	565,060	153,016	718,076	665,228	334,941	1,000,169
<i>Investments</i>	6,523	-	6,523	983	-	983
<i>Charitable activities</i>						
Conferences and Event Ministry	2,881,706	-	2,881,706	2,740,897	-	2,740,897
Ministry Resources: Creation, Sales and Royalties	1,343,533	-	1,343,533	1,364,697	-	1,364,697
<i>Other sources</i>	160,617	-	160,617	137,357	-	137,357
Total income	<u>4,957,439</u>	<u>153,016</u>	<u>5,110,455</u>	<u>4,909,162</u>	<u>334,941</u>	<u>5,244,103</u>
Expenditure on						
<i>Raising funds</i>	35,468	-	35,468	35,832	-	35,832
<i>Charitable activities</i>						
Grants and Grantmaking	7,183	45,652	52,835	6,982	507,594	514,576
Conferences and Event Ministry	3,559,540	85,540	3,645,080	3,353,791	187,420	3,541,211
Ministry Resources: Creation, Sales and Royalties	1,409,838	-	1,409,838	1,426,855	-	1,426,855
Total expenditure	<u>5,012,029</u>	<u>131,192</u>	<u>5,143,221</u>	<u>4,823,460</u>	<u>695,014</u>	<u>5,518,474</u>
Net income/(expenditure)	(54,590)	21,824	(32,766)	85,702	(360,073)	(274,371)
Transfer between funds	-	-	-	-	-	-
Net movement in funds	<u>(54,590)</u>	<u>21,824</u>	<u>(32,766)</u>	<u>85,702</u>	<u>(360,073)</u>	<u>(274,371)</u>
Reconciliation of funds						
Fund balances brought forward	<u>(369,879)</u>	<u>28,499</u>	<u>(341,380)</u>	<u>(455,581)</u>	<u>388,572</u>	<u>(67,009)</u>
Fund balances carried forward	<u><u>(424,469)</u></u>	<u><u>50,323</u></u>	<u><u>(374,146)</u></u>	<u><u>(369,879)</u></u>	<u><u>28,499</u></u>	<u><u>(341,380)</u></u>



SPRING
HARVEST

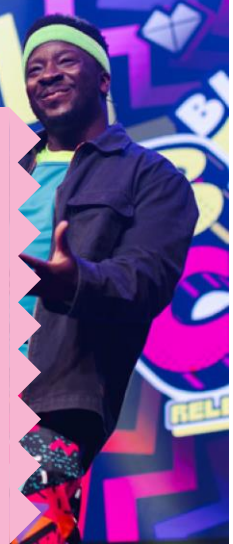
Ministry Impact Report 2024

[SPRINGHARVEST.ORG](https://springharvest.org)



Good news!

More than **600** young people chose to start following Jesus at Spring Harvest in 2024.



"We have some amazing news to share with you as a result of Spring Harvest. Our daughter, who is 10, gave her life to Christ and prayed the prayer with one of her friends in her group. She made the decision on her own, which was what we were praying for. She also bought a few things for school that have biblical verses on, so that people will ask her questions about them. ...My son (13) said he felt God speak to him in his group! We are so excited to see their walk in their faith and where God leads them."



Gather. Grow. Go.

Spring Harvest makes spaces where **all ages can encounter Jesus** be equipped for life with him.

With worship, teaching, prayer and fun, we create and curate shared experiences and new opportunities for all people to be empowered for the spiritual adventure we've been called to live.

We care deeply about the local church and her next generation
We facilitate mountain-top moments with God. We provide sustenance for everyday faith. We work hard to make it accessible **for everyone**

Through physical and digital events and resources, we are excited to play a part in God's mission and ministry.



*"The worship was simply incredible and deeply connected us to God. The diverse venues provided a wide range of unique and enjoyable experiences."
Brian Heasley 24-7 Prayer*



Spring Harvest 2024

in numbers

More than **12,000** people experienced Spring Harvest.

More than **600** young people became Christians.

Over **200** people accessed a pastoral appointment for prayer and counselling.

More than **1,100** volunteers made it happen.

We live-streamed into **75** prisons, that's **65,000** cells.

Over **400** people were trained in prayer ministry to take back to their churches.

More than **700** guests benefitted from the Everyone In Fund.

There were over **300** attendances at Alpha sessions.

8 new community projects began thanks to the Seed Fund.





We are reaching further through digital connection and innovation

More than **1,000** devices watched Spring Harvest Home. **2,300** views of the digital online seminar stream during the event. **334,000** connections across all social media channels. **65,000** prison cells connected by TV.

"I really enjoyed being part of the gathering from home."

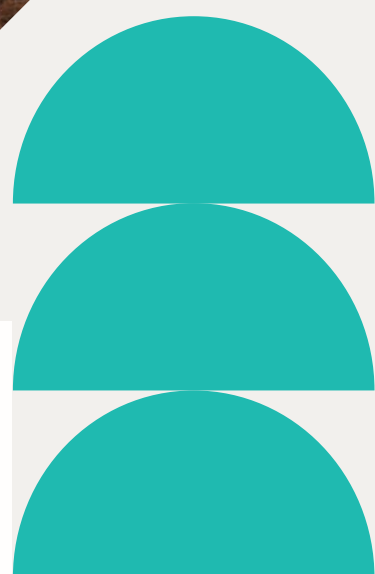


"I am a prisoner... I am a Christian man who has made big mistakes in my life... I just want to thank you so much for live streaming [SH HOME] on WayOut TV. I pray so hard for more worship services – and you came. Oh my, God is good! I want to get the message out there about God – whilst I am here in prison I do what I can to bring brothers and sisters to Christ. I even share the gospel with the staff. But what you [at Spring Harvest] do is so big. I thank you, and God."





Lives were changed by God in all kinds of different ways



“I was very blessed to connect with friends and get some **respite and rich teaching and worship and prayer** to replenish my low reserves.”

“**The fire of the Holy Spirit** came to me - it was amazing!”



“**Amazing to witness someone being healed** and getting up from their wheelchair!”



“Having prayed hard at Spring Harvest, no miracle cure happened. But **I did come home feeling spiritually uplifted** and in a better frame of mind to live with this condition while I await healing.”

“**The dark cloud that had been hanging over me had lifted**, there was a new lightness in my heart that has remained since then. My circumstances haven't changed much (although my sleep has improved) but I can honestly say that I feel I've got God's smile back.”



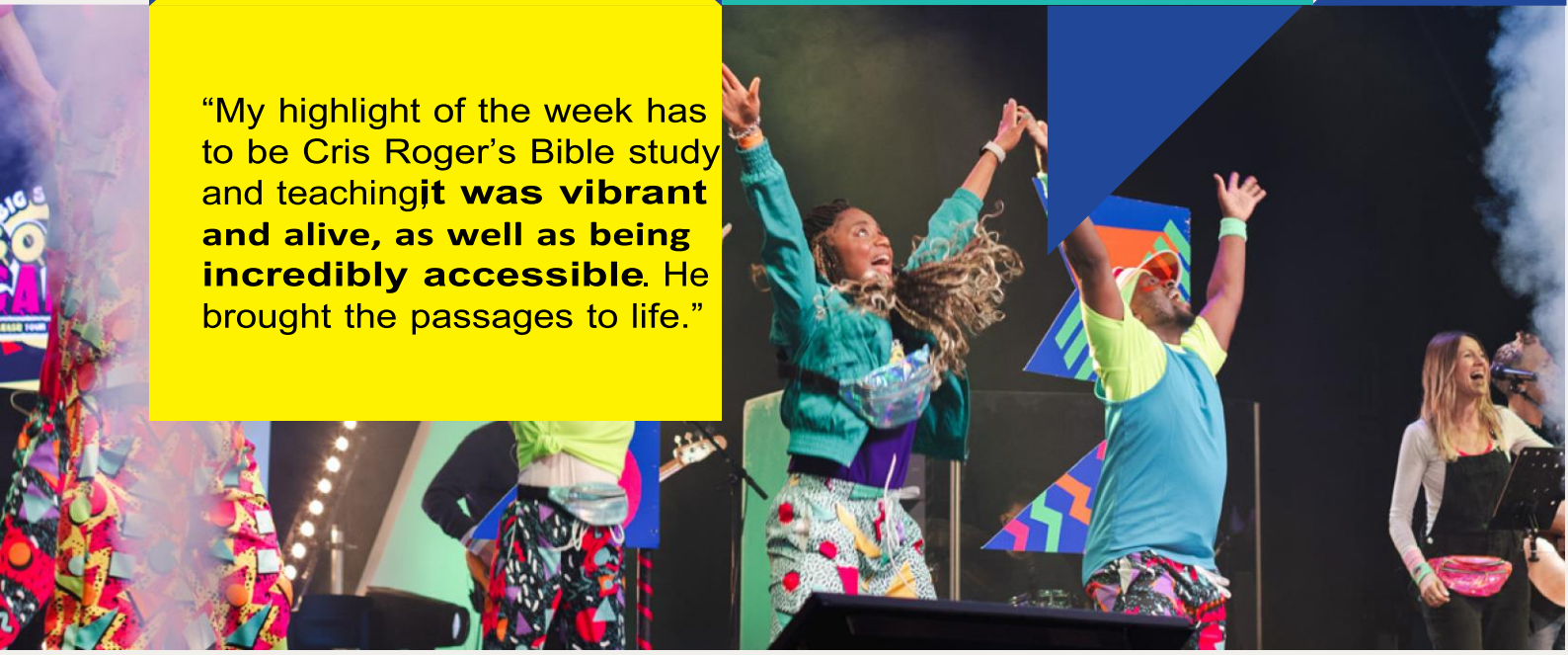
“I am going home not angry but **completely refreshed** in less pain, having slept, and more on fire for God, like I used to be!”



“We had a group of 11 and one of the adults is not a Christian. He came last year and refused to go into any sessions, but went walking along the beach instead. This year, after telling everyone he met about how great Spring Harvest was, he was choosing the sessions he wanted to go to! He’s not made a commitment (yet!) but **Spring Harvest helped in giving him lots of opportunities, in different ways, to ask questions, hear Bible teaching and meet people who love the Lord**. We keep praying for him. The rest of us have left refreshed and ready to serve in our local church again - the 6/7 hour journey is totally worth it!! Hope to be back next year!”

“I can’t describe in words how positively this has influenced my person, but I know that **without what I experienced within that space, I would not to this day feel so incredibly rich in spirit and God’s love**.”

“My highlight of the week has to be Cris Roger’s Bible study and teaching **it was vibrant and alive, as well as being incredibly accessible**. He brought the passages to life.”





We champion the next generation to reach their potential


31% of guests were under 18.

More than **3,500** attended kids and youth sessions.

411 volunteer team members blessed our children and young people.


141 hours of kids and youth content at the event.

More than **600** young people chose to follow Jesus.



"My daughter has decided that she wants to be a missionary and a youth pastor and she wants to go to Bible college. Spring Harvest has played a huge part in her making these decisions."

"We want to thank you for an exciting and stretching experience. We are an adoption family with 3 siblings who struggle to navigate loud, crowded and new places... We got more support than we could have ever imagined or asked for... All three children went from observing to engaging and want to come back! This is incredible!"



"It has been so good to originally bring our 3 children and watch them grow in their faith. Our daughter and her husband felt the call to go to China at Spring Harvest (they were there for 13 years). Now we have the privilege of coming with six of our grandchildren... As one 14-year-old said, 'It's been the best week ever!'"



An event for everyone

Many Spring Harvest guests identify as having additional needs or disabilities. We aim to remove barriers to connecting with God at the event. We try to help everyone access the programme alongside their peers, unless they choose to engage another way.



- BSL and Makaton translation
- Wheelchair access and hearing loops
- Speech-to-text facility in the largest venue
- Dyslexia friendly song projection and screens
- Sensory profiles and quiet areas
- Braille and large print on request
- Tailored content with Count Everyone In for adults with learning disabilities
- A professional Disability Consultant on each resort
- A dedicated Additional Needs team with specific spaces and specialised resources in each kids and youth venue.
- Team training, particularly in the use of inclusive language
- Providing resources in e-book and audio book formats

"I have no doubt that Spring Harvest's commitment to ensuring disability inclusion across the event touches many lives, in fact I know it does because in my role I have the pleasure of witnessing that first hand. But I also realise that the obvious commitment of Spring Harvest to making the whole event accessible in so many different ways, raises awareness amongst guests and I am sure will have ongoing impact on churches as people go home from the event and think about how they can put some of these things into practice in their own church situations."

Janet Eardley, Through the Roof





We work together with other Christian faith-based organisations to build a better world



1
main event partner



2
secondary event partners



1,200
new relationships
for our three main
partners

12
key collaborations with
other organisations

39
exhibiting ministries





The Spring Harvest Seed Fund

10% of all gifts received into the offering by Spring Harvest (from April until June) forms a seed fund to help launch church-based initiatives that serve and transform local communities.

In 2024, we reported back on **8** community projects that were successful in applying for funding during the previous year. Grants ranged from £1000 to £2500.

Since the 2024 event, 10 new projects have been approved to receive a grant.



- Supported the launch of a forest school aimed at helping children with selective mutism.
- Provided equipment to support a community-focused church in Bristol with multicultural and evangelistic events.
- Supported the launch of outward-looking family ministries in three different communities: a family club, a family choir and an all-age worship initiative.
- Provided resources for a new Safe Space in Reading, which has developed from their thriving Street Pastors ministry.
- Supported a new mixed ecology church tool called 'Ecosystem'.
- Supported a new mission initiative called 'NxtMove Europe'.





Everything we do is made possible by generosity

We are grateful to God for every donation. Almost 20% of our income comes from charitable giving.

Over **700** people partner with us by giving regularly.

£190,000 was given in the 2024 event offering.

10% of the offering was tithed into the seed fund.

1 'Match Funder' doubled the offering.

3 grants were received from Trust Funds.

We distributed over **£60,000** to help those on low incomes attend the event.



"The stuff you did for our teenagers was great and Spring Harvest is investing into their spiritual lives in a great way. It's their favourite week of the year!"

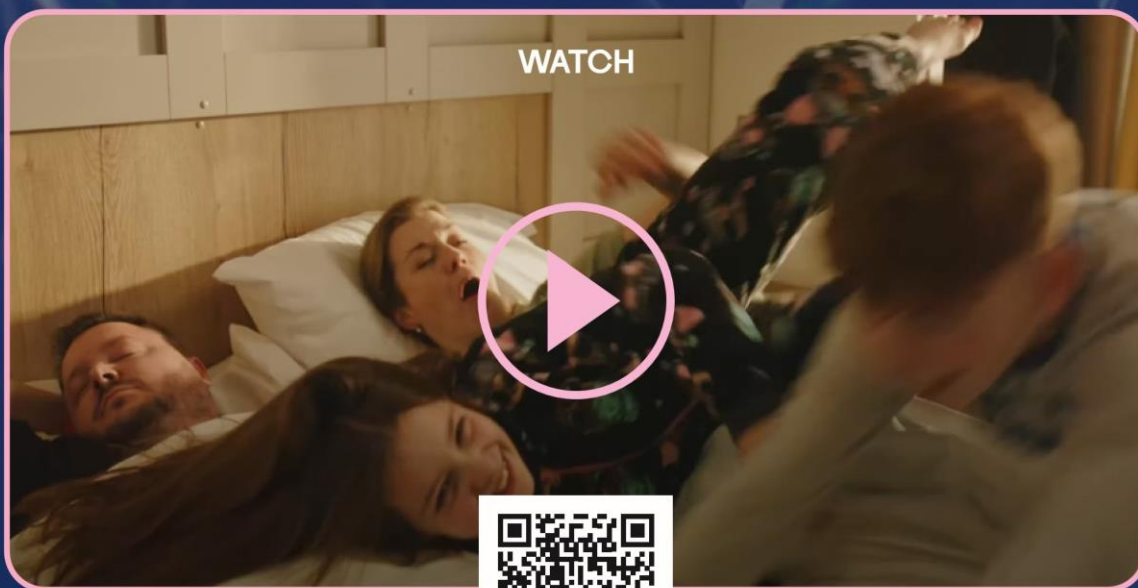
"Thank you so much for what you do. Spring Harvest has been the catalyst for much of the work I'm doing for the Kingdom and for my daughter's salvation."

"A big highlight for us all is the kids work. The volunteers make such an effort and really manage to relate to all three of my children. They have so much fun and get really confident in their faith being around such great people who shine Jesus."

Out of the darkness into Your glorious day



**It's church,
but not as you know it.**



WATCH



ESSENTIAL CHRISTIAN

England & Wales - Charity number 1126997

Accounts

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2023**

**Company Number: 06667924
Charity Number: 1126997**

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2023

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ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS

Introduction from the Chair of Essential Christian

Essential Christian has continued to build back after Covid, and now in 2023 we were able to deliver our second in-person event at Spring Harvest which was full on both sites, alongside seeing growth in our events work and song publishing side too.

The team have had to change how they work as the decrease in team size during Covid continued the need to act like a startup, to bring growth that can lead to investment for the future. That said, the ministry impact of all that has been achieved remains both the priority of the Board and the overwhelming success of Essential Christian. A ministry impact report on Spring Harvest is attached at the end.

Seeing Alpha join us on site at Spring Harvest to help people with questions about faith find answers; to see our online event go out to so many prisons; to see the events team grow new relationships with new events and bring support with their expertise; and then see new songwriters' partner with us has been a delight.

But alongside this there are the new platforms of MySpringHarvest and EC-GO which show the continued innovation and change that the team have delivered. To reinvent whilst still delivering the aims of the organisation and to have to morph into something new has enabled the team to shine.

We remain aware of our need for fundraising income and this area has seen a new strategy actioned which we know will bear fruit in the months to come. Some of our work here has been in re-educating people who know our history when times were different, to see us through different eyes as our needs are greater but so is the potential. Our new agreement with Butlin's, which underpinned our 2023 event, worked well, and gives us the opportunity to build for tomorrow on this remarkable relationship.

On our missions side too, it was wonderful to see Hope Lebedyn set its own course as a new and independent charity. All money held for work by the Mission Centre there was paid over to the new charity. Because of the balance carried forward from the previous year, paying it all over to the new charity resulted in a deficit in the accounts of £279,000. However, taking Hope Lebedyn income and expenditure out of the figures, there would be a small surplus for the year

Those we value the most at Essential Christian are of course its staff team and the extended family of those who it works with closely to deliver its goals through the year. All the work of this organisation is delivered and championed by this team and wider family and so it is to them, as well as the Board who provide such support, wisdom and enabling of the vision, that I give my thanks.

But we do this all to glorify God who we serve, and to gather the church, to grow in their faith and go out and see transformation in society. To be able to also do this through events that help other charities, and songs that travel through churches and radio stations and online is a privilege.

Martin Young
May 2024

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

The Directors have pleasure in submitting their report together with the audited group financial statements for the year 1 October 2022 to 30 September 2023 which have been prepared in accordance with the current statutory requirements, the company's memorandum and articles of association and the Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

Reference and Administrative Details

<u>Charity Number</u>	1126997
<u>Company Number</u>	06667924
<u>Principal / Registered Office</u>	14 Horsted Square Uckfield East Sussex TN22 1QG
<u>Bankers</u>	Lloyds Bank plc 8 High Street Lewes East Sussex BN7 2AD
<u>Solicitors</u>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
<u>Auditors</u>	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Directors

The directors who held office during the year and up to the date of signing were as follows:

Non-executive directors

Ms Olivia Amartey	
Ms Tania Bright	
Rt Rev Peter Broadbent	until 30 November 2022
Mr David Dorricott	
Ms Elaine Duncan	
Mr Hugh Francis	from 22 November 2023
Ms Debra Green OBE	
Rev Christopher Rogers	
Mr Martin Young	<i>Chair</i>

Chief Executive

Mr Phil Loose

Ethos

Essential Christian is a Christian organisation. Its reason for existence and ongoing ethos is to serve Jesus Christ and represent Jesus Christ and his teaching to the world. This service is undertaken through delivering the objectives and activities of the Charity for the public benefit.

Objectives and Activities

The object of the charity is to advance the Christian faith throughout the world and to do so principally, but not exclusively by:

- serving the Christian church worldwide.
- enabling the Christian church worldwide.
- informing, inspiring and equipping Christians to live out their Christian faith with biblical integrity, heartfelt unity, and cultural relevance.
- encouraging people to live as disciples of Jesus Christ.

The charity seeks to promote Christian faith and teaching, discipling, and evangelism, and to contribute to the quality of life of individuals and families, whether they are currently engaged with the Christian church or on a personal spiritual journey.

The strategies employed to achieve the company's objectives for the year included:

- the provision of the annual Spring Harvest teaching event, both on-resort and online, available to people of all ages, from all sections of the community.
- assisting with the delivery of holidays with Christian teaching at a resort in France.
- delivering booking and conference infrastructures for events provided by other organisations.
- producing printed material.
- recording and distributing audio and video teaching material.
- producing and publishing Christian music.
- providing a royalty administration service.
- enabling access to audio, video and written materials.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

- offering discounts to make Spring Harvest accessible to those otherwise unable to come.
- making Spring Harvest available to over 70 prisons and 60,000 prison cells.
- donations to other Christian work.

Public Benefit

The directors are aware of their responsibility to ensure that the charity provides public benefit. Essential Christian aims to equip and enable the Church and her members through providing events and resources. Accordingly, the activities provide spiritual benefit to many people, assist churches to serve their communities, and help schools with collective worship.

Essential Christian:

- promotes the study of and application of the Bible through seminars and addresses at Spring Harvest and Spring Harvest Holidays, and through audio and video recordings both from its own events and other events.
- gives opportunities to engage in corporate prayer and praise, often with many people.
- provides opportunities for families to enjoy time together in a relaxed, teaching setting.
- records and distributes Christian music.
- makes its expertise in conference management available to other organisations.
- produces materials for primary school assemblies.
- makes Spring Harvest available to over 70 prisons and 60,000 prison cells.

Spring Harvest at Home (online) offers a low-cost way to engage with the event. Discounts and grants are available to assist people experiencing financial hardship to attend the Spring Harvest event.

Structure, Governance & Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 8 August 2008 and registered as a charity on 28 November 2008. The company is governed by its Memorandum and Articles of Association. There are currently 8 members and Directors of the company.

Board of Directors

The Board carries the legal and financial responsibility for the charity and establishes the vision and mission while monitoring its activities and policies. The Board met 7 times over the year. In addition, there is a Finance Committee made up of between two and four Board members, the CEO and three other staff members.

Directors have a wide knowledge of the beneficiary and potential beneficiary group served by the charity. All Directors are invited to nominate new Directors, having regard to the skills, experience or representation identified as being required at the time. Suggestions may also be sought from others who know the charity well. Full discussion takes place on each of the nominees before an appointment is made.

The Board of Directors is satisfied that both the legal and financial needs of the company are well served by its current professional advisors.

A register of interests is held on the Directors and is updated annually.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Directors' Induction and Training

New Directors often come with extensive experience on the boards of other charities or businesses and are familiar with Essential Christian having participated in one or more of its activities. Most new Directors come with a high level of awareness of the company's objectives, structures, and operational activities.

New Directors are supplied with the Memorandum and Articles of Association, current minutes and recent financial reports, and the statement of Beliefs, Purpose, and Values. They are also directed to the current Charity Commission publications for new trustees.

Before attending their first Directors' meeting the Chief Executive and/or the Chair will seek to meet the new Director to answer any questions they may have. Where appropriate, additional induction and meetings with other Directors and staff will be provided.

Structure

The charity operates under brands to distinguish its activities.

- Spring Harvest
The Spring Harvest main event takes place within the Easter school holidays at Butlin's sites in Minehead and Skegness, as well as online called 'Spring Harvest Home'. 2023 was a remarkable year with both sites happening at the same time and both weeks full.
- Big Start Assemblies
Inspired by the Big Start programme at Spring Harvest, this online resource offers ready-to-use material for Key Stages 1 and 2 primary school assemblies, with presentations, videos, songs, and scripts designed to meet Ofsted and SIAMS requirements. Currently over 250 schools use this resource.
- EC-GO (Essential Christian – GO!)
This online subscription platform is our 'takeaway teaching' site and provides over 10,000 recordings of inspirational teaching from many events in the UK, including 2,000 from Spring Harvest, many of them with Closed Captions or British Sign Language. They are from Essential Christian, and you can listen to them 'on the go!'
- Song Solutions
Song Solutions supports songwriters and artists through song publishing and song administration of works, both owned by the charity or on behalf of clients in the UK and worldwide. Through its work in A&R, it also signs and nurtures new and established writers to support them as they develop their careers.
- Essential Christian Songs
Our song discovery platform is a website featuring songs we administrate and publish, with a search facility to allow worship leaders to find the song they need for their church service. This resource provides worship leaders and others with tools to find, learn and lead the ideal song for a particular context.
- Essential Event Management
Using the experience built up over many years running Spring Harvest and other events, Essential Event Management makes these event-delivery skills available to the wider Christian community and beyond.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

- Hope Lebedyn
Until August 2023 when funds were passed over to a new charity, support was given to the work of the Church in an area of extreme poverty in eastern Ukraine through a link with a Mission Centre there, using funds given specifically for this purpose.
- Spring Harvest Holidays
Operating as a separate company, with its own board and governance, Spring Harvest Holidays extends the vision of Spring Harvest into France offering a mix of holiday relaxation and spiritual input at its resort in the Vendée region. Many Spring Harvest speakers give Bible teaching during the season. Essential Christian provides management services to Spring Harvest Holidays.

In furtherance of its activities Essential Christian has two wholly owned subsidiaries: Song Solutions Ltd, which in turn owns Copycare Pacific Pty Ltd, which undertakes copyright administration; and Daybreak Music Ltd, which owns several copyrights.

Further details are given in Note 10 to the financial statements.

Management & Staffing

The Chief Executive appointed by the Board is responsible for the day-to-day operations of the charity and has delegated authority for operational matters, including day-to-day finance, communications, and business development. In addition, the Chief Executive is responsible for recruiting the staff team and ensuring that there are the skills and expertise needed to run the charity. The charity is well served by a highly motivated staff team, which includes some recent appointments alongside experienced individuals on the senior team.

The key management personnel of the charity are the chief executive and directors listed on page 3. All non-executive directors give of their time freely and no director received any remuneration in the year for being a director. Payments are sometimes made for additional services. Details of directors' payments, expenses and related party transactions are disclosed in Notes 7.3 and 21 to the financial statements. The pay of the Chief Executive and other staff is reviewed annually.

The Spring Harvest event programme is devised by a Planning Group, which reports to the Board, and which prayerfully considers the event programme and its delivery every year. The Group includes two Board members and several others who together bring theological and leadership skills. Membership changes periodically so that the group is refreshed from time to time. Whenever possible, the group is drawn from across the denominations of the church to reflect the needs of the whole church in the UK,

Risk Management

The Directors have a risk management strategy which comprises:-

- an annual review document showing the risks to the organisation and the control measures to be taken, covering areas of governance, management, activities, premises, IT, finance, litigation and reputation.
- consideration of this document by the Board and of those areas where greater risks are identified.
- the establishment and implementation of systems and procedures where possible to mitigate those risks.

Based on this risk review, the Directors consider the highest risks, and how they may be mitigated, to be:-

- A reduction in the number of guests at Spring Harvest physical events leading both to a reduction in delivering its ministry and to a loss of income. This could be because of a commercial decision by the resort owners, the pattern of annual school holidays, future coronavirus restrictions or other circumstances outside the charity's control. The ministry impact can be mitigated by digital delivery,

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

which also allows more people to engage and do so remotely, but it does not deliver the same level of income.

- Insufficient donor income. Donations are critical to the charity's ability to sustain the activities. Work is being done to increase the number of supportive donors.

Achievements and Performance

Essential Christian's activities fall into three broad categories: Conference and Event Ministry, Ministry Resources, and Grant-making.

(1) Conferences and Event Ministry

This includes Spring Harvest, Spring Harvest Holidays and activities undertaken by Essential Event Management on behalf of other organisations.

- Spring Harvest
Spring Harvest in 2023 was held again at the Butlins resorts in Minehead and Skegness during the Easter school holidays, with a 5-day event in each location.

The theme was *Flipped: Life in the Upside-down Kingdom*. Drawing from the Gospel of Matthew, the focus was on what it means to be Jesus' followers in the upside-down Kingdom of God where justice matters, the weak are given strength, the poor are enriched, the forgotten are remembered, and the unnoticed are seen.

Nearly 13,000 people attended, including team members and day visitors. Both resorts were full. Others engaged online in their homes or watched in one of the prisons where the event was available for the first time.

The range of large venues on the resorts makes it possible to run several programmes simultaneously. Age-appropriate programmes in several age groups were held for under 18s alongside the programme for adults which included two Bible studies on each of the full days offering different approaches and three evening Celebrations, as well as theme sessions, a range of seminars and workshops, matinee performances and evening entertainment. All age groups addressed the same core theme, adapted appropriately, so when back in their family or church group they can share what has been learnt.

Mornings began with an all-age, dynamic 'Big Start', held in the recently built Studio 36 at Minehead and a 2,300 seater temporary structure at Skegness. For adults this was followed by the main Bible teaching and then sessions covering the key themes as well as Parenting, Mental Health, and a specific programme from *Count Everyone In* for those families living with disabilities. New for 2023 was a series of Alpha sessions where people could ask questions like "Why am I here?", "Where am I heading?" and "Who is Jesus?" and explore the historical evidence for who Jesus is and how the Holy Spirit fits into the picture. There was also a dedicated creative space for those children and their families who did not want to attend groups as well as those who enjoyed a more creative approach. Alongside the seminars and workshops there was a comprehensive, family focused sports programme each afternoon. In the evenings there were celebrations for corporate worship and teaching. For guests who did not want to attend a session, perhaps while they looked after small children, the main meetings could be accessed in guest accommodation online through the digital event programme and in some chalets through the internal TV system.

The event was made accessible to guests with disabilities through the provision of BSL signing, speech to text, loop systems, braille, and large print material. Multi-sensory areas were available in children's and youth venues. An experienced disability co-ordinator was available at each location to

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

handle questions which may arise on a one-to-one basis. A stream for adults with learning disabilities was organised in conjunction with the charity *Count Everyone In* at the Minehead event.

A highly skilled and experienced pastoral team was available at each event to meet with individuals. This team also served as the prayer ministry team after the evening celebrations for guests who requested prayer.

Spring Harvest is only able to run because many people give their time freely to assist in many ways and we are very grateful for their support. To deliver the event, 918 team members were recruited, the majority being volunteers. Because there are children and vulnerable adults at the event, a system is in place to make appropriate checks with the Disclosure and Barring Service and to take up references on team members.

Guests gave £229,000 to the main Offering appeal. Of this, a tithe of 10% went towards a Seed Fund for new projects across the UK (see below) and 90% was to support Essential Christian's ministries, including the Everyone In fund which provides discounts and bursaries to help people on low incomes to attend Spring Harvest. A further £1,900 was given in the Youth and Children's Offerings for the Everyone In fund. Details of restricted funds are given in Notes 15 and 19 to the financial statements.

In 2023 we were honoured to be able to match fund the offering through a generous donor, who themselves wanted to inspire generosity in others. This is one of the reasons why we believe we had an increased main offering.

Spring Harvest is passionate about making spaces where all ages can encounter Jesus and be equipped for life with him. Our events and resources, in-person and online, help all people meet with God and be empowered for the spiritual adventure they've been called to live. It encourages those who attend or who watch in their homes to live as disciples of Jesus Christ. So far as we are aware, approximately six hundred people across all age groups chose to become disciples or renew their commitment during the event. Many positive comments were received from guests including:-

- *That week changed me, it allowed me to open myself up to Jesus and in return I received healing mentally and physically. I cannot thank the Lord enough for that week. But also thank the leaders that supported me.*
- *Our first ever time at Spring Harvest. ... From start right up to our last morning here we have been blessed from start to finish.*
- *I'd like to say a HUGE thank you to the Worship for Everyone team. I came as a tired, worn-out children's leader ... I shall be taking back so many new ideas and practices but most importantly I have felt afresh God's heart and love for children. Thank you!!!*
- *I just wanted to pass on our gratitude for the work of the Additional Needs team in the 8 - 11 venue. It was so great to know that my boys were supported and provided for and could access the content in a way that is appropriate to them and that my husband and I could be part of the main sessions too and attend them together.*
- *Experienced @SpringHarvest as a child, young person, and adult. Have been a steward, on the kids' team, youth team & tech team too. But #SH2023 as a parent was a whole other level. Thank you for your continued and faithful investment in young lives from a tired but inspired parent!*

- *My 14-year-old daughter feels more secure in her faith and is ready to take what she has discovered with her into them tricky school classroom moments.*
- *I am A... and have Down's Syndrome. I went to Count Everyone in with my dad every day. He thought it was as good as the evening meetings at Studio36. We want to say a big, big thank you to [the] team ... the stories were wonderful.*

Spring Harvest Home

This was online live from Minehead and reached over a thousand homes some as far away as the Channel Isles. Content came from Studio 36 to include Big Start, Bible teaching and the evening Celebrations as well as live interviews with various invited guests across the week. Live chat was available throughout the week that allowed a community to form. People were able to make prayer requests that were responded to by prayer pastors in the chat.

Prisons

In 2023 Spring Harvest began a partnership with Prison Chaplaincy UK and WayOut TV, an in-cell broadcasting station, available in 76 prisons. The evening Celebration from Studio 36 was broadcast live, available in 63,000 prison cells across the country. Thousands of prisoners engaged, and many wrote in to WayOut TV to say thank you and ask for it to be repeated. Prison Fellowship provided a 24-hour prayer request answerphone for all prisoners and Spring Harvest worked closely with prison chaplains to build follow up discipleship resources.

MySpringHarvest

MySpringHarvest is where Spring Harvest is resourcing the church all year round, equipping and resourcing Christians across the UK and beyond. With MySpringHarvest you have access to articles, podcasts, videos, songs and much more. All guests must do is sign up for free and then they receive articles straight to their inbox. At our event each year, MySpringHarvest changes to become the online programme and place to access all that is going on within the resort. It acts like an 'app' but is a website, which makes it more cost effective for us to develop and manage. In 2023 this grew to over 6,000 users, showing an annual net growth rate of 15%.

- Spring Harvest Holidays

The 2023 summer season saw over 5,000 guests enjoy their vacation at Le Pas Opton holiday park in France.

The offices of Spring Harvest Holidays are situated within Essential Christian's premises and during the year the charity provided administrative and management assistance, the costs of which were reimbursed under a management agreement between the charity and Spring Harvest Holidays Ltd.

- Event Services

Through *Essential Event Management* the charity assisted many other agencies to run their events both online and in-person. Online provision included event platforms, technical support, working with the client to create the user interface and experience, and providing ticketing and registration facilities. For physical events, our services included full event management, venue research and procurement, technical provision, logistics, health and safety, and CAD drawings to facilitate event planning.

Organisations assisted included Open Doors, Care for The Family, Trussell Trust, Commission Festival (a new event for us), SPCK, Warm Welcome, and Eternal Wall, as well as significant work for Spring Harvest.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

In 2023 we saw a marked increase in physical event enquiries and a move from online to hybrid events. This was encouraging for us as we look for this area of ministry to develop a surplus to provide support for our other ministry growth areas.

(2) Ministry Resources

This includes activities undertaken through the Essential Christian and Song Solutions brands in creating audio, video and print media, making these available to purchasers, and in copyright administration and royalty collection.

- Music

Spring Harvest 2023 worship was recorded and made available across all digital platforms. The songs were released over a period of months and saw very good engagement. Digital streaming of back catalogue songs grew and, in part, replaced lost revenue from physical product sales. We now see the release of music as part of our marketing strategy too – and in 2024 began utilising Spotify advertising to encourage people who love our recordings to come to Spring Harvest.

Alongside this, a new label imprint was started called Seachange. This has already started to sign some new writers to it under a charitable intent and a new innovative model.

- Books

Our partnership with SPCK enabled new resources for Spring Harvest which were once again our main theme book, our workbook for small groups and the first kids annual called 'Big Start Annual 1'. We saw significant sales of these at our event, and we have some options now for the future as new markets are there for us to reach out to, including Amazon, where we have potential to grow,

- Spoken Word

Our work in recording other people's spoken word is declining a little, although we still offer it as a service. This is due to changes in digital delivery and some leadership changes in events as they recover from Covid, which means they are still regrouping. However, the innovation of our EC-GO talks platform was developed in 2023 through selling recurring subscriptions at Spring Harvest.

Recordings were also made available in USB format for those who want something physical, and we saw strong sales of these in 2023. We uploaded a series of 'legendary talks' to YouTube to give away some of our content for free to all. Spring Harvest also pioneered an online digital seminar stream on YouTube so people on site could access a whole stream of content from their devices that was only online.

- Sales

The essentialchristianstore.com website was strategically renamed to springharveststore.com, which operates in partnership with St Andrew's Bookshop and carries a range of music, DVDs, Bibles, books, church resources and Christian gifts. Sales also took place through Christian bookshops and other online retailers. This online store gives Essential Christian a small commission on all sales whether they are published by us or not.

- CD & USB Duplication

A low volume of in-house duplication continued. We now see more demand for USB than CD.

- Copyrights administration

Under Song Solutions (Copycare) Essential Christian administers over 150,000 songs globally from its own office and through franchise partners around the world. This has potential to increase through securing new administration catalogues of Christian music.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Song Solutions (Daybreak) saw growth again in its catalogue of songs where the charity owns the copyright, and this includes a large selection of children's songs which are used in school assemblies.

New methods and technology are likely to enable further revenue growth as songs are used more widely. The charity has signed the pan-European agreement through PRS which enables it to collect royalties directly from European countries and expects to do the same for Asia and the Americas when available.

- Big Start Assemblies

Inspired by the 'Big Start' at the beginning of each day at Spring Harvest, the charity provides an all-in-one package for collective worship in primary schools. It uses stories from the Bible with videos, music and scripts and was trialled at schools in Sussex and Kent before being launched more widely in March 2018. Schools across the country renew their subscriptions of this valuable resource year-on-year. Discussions with dioceses and trusts continue. There are 124 assemblies available, and work continues to promote and market Big Start Assemblies to teachers, head teachers and schools.

(3) Grants and Grant making

Funds for grant making came from the generosity of guests at the Spring Harvest events who support the annual appeals, from guests at Spring Harvest Holidays and from donations received specifically for Hope Lebedyn. Details of restricted funds and grants are given in Notes 15 and 19 to the financial statements. Organisations receiving grants are asked to submit written or video reports on the use of the funds within a year.

- Spring Harvest

The charity's policy is to channel funds available from the tithe of the Spring Harvest Offering to projects relevant to the teaching theme for the year. Spring Harvest 2023 was about life in the Upside-down Kingdom. Guests were invited to submit proposals for seed funding to start projects which would prioritise the next generation or to demonstrate practical love and service, which were then considered against criteria. Among those selected were a forest school for children with selective mutism and a safe place for vulnerable individuals on nights-out.

Gifts given through the Partnership Scheme and from the not-tithed portion of the offering supported Essential Christian and Spring Harvest, including the 'Everyone In' fund. This helped over 700 people with discounts and bursaries so that individuals and families on low incomes could come to Spring Harvest.

- Spring Harvest Holidays

Money given by guests at Spring Harvest Holidays was distributed via Spring Harvest Holidays Ltd to organisations in France, to sponsor those volunteering at Le Pas Opton and to provide bursary support to some families and individuals.

- Hope Lebedyn

Over the year funds were raised separately for Hope Lebedyn, to send support on a regular basis to a Mission centre and church in Lebedyn, Ukraine and to other associated ministries nearby. This was the last year of Essential Christian's involvement. The Board had agreed previously that Hope Lebedyn should become a separate charity with its own trustees, who would be able to give more detailed oversight to its work. The new charity *Hope Lebedyn*, number 1201618, was registered in January 2023. However, it took several months to set up a bank account, so Essential Christian continued to have oversight until the funds were transferred to the new charity in September 2023.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Lebedyn is quite close to the border with Russia. During the year air raid sirens were frequent and a bomb shelter had to be built. Travel was difficult and could be dangerous. Some people left and others came to the town, displaced from their own homes. The team at the Centre distributed food aid including bread from their new bakery built to meet the need, and provided clothing and other help as required. They visited orphanages, hospitals and care homes as well as helping individuals coming to the Centre, and others they heard about. Many came to the Centre and heard the gospel message of salvation. Thousands of Bibles were given away. The weekly activities for children, youth and families continued, and there were eight weeks of well-attended camp activities for children in the school holidays. The team reported a hunger for God's Word among the youth.

Donations of £192,000 were received in the year, and £291,000 was carried forward from the previous year, much of it raised in an appeal following the Russian invasion. Money was spent as needed and some was set aside for repairs to the fabric after the war ends. £128,000 was expended in support of the work. A balance of £355,000 was transferred to the new charity.

Financial Review

The outflow from the restricted funds because of the transfer to Hope Lebedyn resulted in a deficit in total funds of £279,000. However, taking Hope Lebedyn out of the figures, the overall result would be a small surplus of £12,000 and this better reflects the core activities of the charity. There was also a surplus in unrestricted funds for the second year since the disruption caused by the Covid pandemic.

The charity's main sources of income are from its charitable activities and from donations. Donations are very important, particularly to support the Spring Harvest event and to provide the 'Everyone In' fund for people on low incomes to attend. The Board and staff are grateful to Spring Harvest guests who gave to the Offering and to supporters who gave regularly through the year. Together they donated over £420,000 in the year and they make a significant contribution to maintaining Spring Harvest into the future. The Board is also grateful for other donations from individuals and trusts of £368,000.

Income for Conference and Events ministry was £2,741,000 and expenditure £3,541,000, 3% and 0.4% less than the previous year. Spring Harvest saw both its income and costs affected by inflation. Essential Events Management returned to running small to medium sized events for other charities and there was not a big event as there had been in 2022.

Ministry Resources income was £1,561,000 and expenditure £1,620,000, 2% less and 1.4% more than the previous year. The increase in costs was because of a donation to enable Song Solutions to extend its work in developing and publishing new songs for the church and in particular supporting emerging artists. In time this is expected to lead to higher income flows in perhaps two or three years as these songs are used in churches and royalties flow through to the charity.

The Board regularly considers the charity's activities and its future, exploring new ways of working and increasing sources of income to maintain its ministry. Cash flow is uneven during the year, and there is a need for loans which builds through the year until March, when Spring Harvest revenues are usually received. With the financial support of a corporate backer who has provided substantial cash flow assistance, the trustees have been satisfied that the Charity can operate on a sound financial footing.

Reserves Policy

The Board considered the charity's requirement for reserves. It is mindful of the risks facing the organisation and the need for reserves.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

There were no freely available reserves (which excludes fixed assets, restricted funds, and minority interests) at the year end. The charity was able to meet its obligations because of a loan facility made available to the charity, and a facility is in place which is sufficient to cover anticipated financial needs for at least the next 12 months.

Fundraising Policy

In line with the reporting requirements included in the Charities Act 2016, the Trustees confirm that all fundraising is carried out in compliance with best fundraising practice. The main request for funds is made during the Spring Harvest event. The purposes are clearly described.

Separate fundraising was undertaken for the Hope Lebedyn activity. This was largely through grant applications to sympathetic charitable trusts and making requests to existing donors.

The charity is registered with the Fundraising Regulator and follows the Code of Fundraising Practice. During the year we began to work with some professional fundraisers to begin to access grant making trusts. Few appeals were made by email or letter and none by telephone so vulnerable people were protected from intrusive requests. A complaints procedure is set out as part of the Privacy Policy on the website and states that every effort will be made to resolve complaints within 10 days. No complaints or criticisms were raised concerning the fundraising activities. The charity is also registered with the Fundraising Preference Service. No requests for action were received from this service.

2024 and Beyond

The Board continues to believe that the charity's activities are a valuable resource for the Church yet is also aware that it needs to find further sources of donor funding and develop the ways its resources can be accessed. The Board aims to:

- develop and grow Spring Harvest as an annual event and with more weeks to equip the Church for action all year round, and especially to resource small and medium-sized churches.
- see growth in providing an immersive digital presence 365 days and 24/7, serving Christians across Europe entitled 'MySpringHarvest'.
- develop the EC-GO site, rebranding it as a new function of 'MySpringHarvest'.
- develop the Essential Christian Songs website to become 'Songs for The Church', having had two successful years of giving out a new free songbook resource to over 2,000 churches in the UK.
- sign more songwriters to create new songs for the Church including writers considered to be amongst the top in their field, alongside Jake Isaac and Anna Hamilton.
- continue work to grow revenue in song publishing and online events, to become best in class, embracing new technologies.
- develop the Partnership scheme to provide increasing gift income, seek new donors to support the ministry, and find new sources of revenue through sponsorships or advertising as well as new resource development.
- expand our work assisting other organisations in running their events, both physical and online, recognising that event management is a strong skill we want to offer out to others.
- develop new partnerships in 2024 and continue to embrace more through the year.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Other information

Disabled employees

The company has procedures in place regarding the employment of disabled staff to ensure that no current or potential member of staff is disadvantaged due to disability and that all staff have equal access to training, career development and promotion.

Employee consultation

The company acknowledges the importance of staff communications and involving staff in decisions that directly affect them and their work. Several procedures and activities are in place to support decision-making and communications, including meetings held corporately, departmentally, team based and individually; and staff participation in decision making as it affects terms of employment.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 Directors to prepare financial statements for each financial period which give a true and fair view of the situation of the company and the incoming resources and application of resources, including the net income or expenditure, of the company for the period.

In preparing those financial statements, the Directors are required to:

- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable United Kingdom 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 company's operations will continue.

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

Disclosure of information to auditors

To the knowledge and belief of the Directors, there is no relevant information that the company's auditors are not aware of, and the Directors have taken all the steps necessary to ensure the Directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Registered office
14 Horsted Square
Uckfield
East Sussex
TN22 1QG

ON BEHALF OF THE
DIRECTORS

Date: 22 May 2023

M Young
Chair

ESSENTIAL CHRISTIAN

Opinion

We have audited the financial statements of Essential Christian (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 30 September 2023 and the group's incoming resources and application of resources, including the group income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Material uncertainty related to going concern

Despite the charity recording a surplus on unrestricted funds for the current year, the consolidated general funds are still negative by £360,659 and net current liabilities stand at £426,971. We also draw attention to the disclosure made in note 1.2 to the financial statements concerning the charitable company's ability to continue as a going concern. The financial position of the charity represents a material uncertainty which may cast doubt about the charitable company's ability to continue as a going concern. Despite this our opinion detailed above is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial period for which the group financial statements are prepared is consistent with the group financial statements; and
- the directors' 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 group and parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the directors' report.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group 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 group financial statements, the directors are responsible for assessing the group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to reviewing trustees minutes, challenging significant accounting estimates, evaluating the internal controls, agreeing financial statement disclosures to underlying supporting documentation and testing journal entries.

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 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants**

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date:

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £
Income from:							
<i>Donations and legacies</i>		656,487	334,941	991,428	598,564	480,013	1,078,577
<i>Investments</i>	2	1,388	-	1,388	26	-	26
<i>Charitable activities:</i>							
Conferences and Event Ministry		2,740,897	-	2,740,897	2,829,279	-	2,829,279
Ministry Resources: Creation, Sales and Royalties	3	1,561,450	-	1,561,450	1,592,831	-	1,592,831
<i>Other sources</i>	4	<u>137,357</u>	<u>-</u>	<u>137,357</u>	<u>120,553</u>	<u>-</u>	<u>120,553</u>
Total income		<u>5,097,579</u>	<u>334,941</u>	<u>5,432,520</u>	<u>5,141,253</u>	<u>480,013</u>	<u>5,621,266</u>
Expenditure on:							
<i>Raising funds</i>	5	35,832	-	35,832	38,404	-	38,404
<i>Charitable activities:</i>							
Grants and Grantmaking		6,982	507,594	514,576	7,793	109,494	117,287
Conferences and Event Ministry		3,353,791	187,420	3,541,211	3,340,791	214,902	3,555,693
Ministry Resources: Creation, Sales and Royalties		<u>1,619,698</u>	<u>-</u>	<u>1,619,698</u>	<u>1,597,811</u>	<u>-</u>	<u>1,597,811</u>
Total expenditure		<u>5,016,303</u>	<u>695,014</u>	<u>5,711,317</u>	<u>4,984,799</u>	<u>324,396</u>	<u>5,309,195</u>
Net (expenditure)/income for the year	6	81,276	(360,073)	(278,797)	156,454	155,617	312,071
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>10,900</u>	<u>(10,900)</u>	<u>-</u>
Net movement of funds		<u>81,276</u>	<u>(360,073)</u>	<u>(278,797)</u>	<u>167,354</u>	<u>144,717</u>	<u>312,071</u>
Reconciliation of funds							
Funds brought forward at 1 October 2022		(443,263)	388,572	(54,691)	(608,876)	243,855	(365,021)
Minority interests		<u>1,328</u>	<u>-</u>	<u>1,328</u>	<u>(1,741)</u>	<u>-</u>	<u>(1,741)</u>
Funds carried forward at 30 September 2023		<u>(360,659)</u>	<u>28,499</u>	<u>(332,160)</u>	<u>(443,263)</u>	<u>388,572</u>	<u>(54,691)</u>

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

All incoming resources and resources expended derive from continuing operations.

The notes on pages 22 to 36 form part of these financial statements.

ESSENTIAL CHRISTIAN

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8a		62,352		64,913
Intangible assets	9		<u>36,447</u>		<u>19,162</u>
			98,799		84,075
Current assets					
Stocks	11	8,507		24,630	
Debtors and prepayments	12a	232,328		305,236	
Cash at bank		<u>356,234</u>		<u>688,353</u>	
		597,069		1,018,219	
Creditors: Amounts falling due within one year	13a	<u>(1,024,040)</u>		<u>(1,151,669)</u>	
Net current (liabilities)			<u>(426,971)</u>		<u>(133,450)</u>
Net (liabilities)			<u>(328,172)</u>		<u>(49,375)</u>
Funds					
Unrestricted funds	14a		(360,659)		(443,263)
Restricted funds	15		<u>28,499</u>		<u>388,572</u>
			(332,160)		(54,691)
Minority interests			<u>3,988</u>		<u>5,316</u>
Total funds			<u>(328,172)</u>		<u>(49,375)</u>

The notes on pages 22 to 36 form part of these financial statements.

These financial statements were approved by the Directors on 22 May 2024 and signed on their behalf by:

M Young
Director

Company number: 06667924

ESSENTIAL CHRISTIAN

COMPANY BALANCE SHEET AS AT 30 SEPTEMBER 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8b		62,352		64,913
Intangible assets	9		36,447		19,162
Investments	10		<u>1,128</u>		<u>1,128</u>
			99,927		85,203
Current assets					
Stocks	11	8,507		24,630	
Debtors and prepayments	12b	231,228		304,136	
Cash at bank		<u>233,339</u>		<u>576,098</u>	
		473,074		904,864	
Creditors: Amounts falling due within one year	13b	(<u>914,381</u>)		(<u>1,057,076</u>)	
Net current (liabilities)			(441,307)		(152,212)
Net (liabilities)			(<u>341,380</u>)		(<u>67,009</u>)
Funds					
Unrestricted funds	14b		(369,879)		(455,581)
Restricted funds	15		<u>28,499</u>		<u>388,572</u>
Total funds			(<u>341,380</u>)		(<u>67,009</u>)

The notes on pages 22 to 36 form part of these financial statements.

The company's net expenditure for the year ended 30 September 2023 was £274,371 (2022: net income of £306,267).

These financial statements were approved by the Directors on 22 May 2024 and signed on their behalf by:

M Young
Director

Company number: 06667924

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023		2022	
	£	£	£	£
Net cash (used in)/provided by operating activities (see below)		(271,425)		520,098
Cash flows (used in) investing activities				
Interest received	1,388		26	
Payments for tangible fixed asset additions	(35,769)		(27,505)	
Payments for intangible fixed asset additions	(26,313)		(22,084)	
Net cash (used in) investing activities		(60,694)		(49,563)
Cash flows from financing activities				
Loans (repaid)/drawn down	_____ -		(175,000)	
Net cash (used in) financing activities		_____ -		(175,000)
Net cash (outflow)/inflow		(332,119)		295,535
Cash and cash equivalents at 1 October 2022		<u>688,353</u>		<u>392,818</u>
Cash and cash equivalents at 30 September 2023		<u>356,234</u>		<u>688,353</u>

Note: Cash flows from operating activities

Net (expenditure)/income for the year		(278,797)		312,071
Interest receivable included in investing activities		(1,388)		(26)
Depreciation		38,330		42,676
Amortisation		9,028		2,922
Decrease in stocks		16,123		34,869
Decrease in debtors		72,908		63,022
(Decrease)/increase in creditors		(127,629)		<u>64,564</u>
Net cash (used in)/provided by operating activities		(271,425)		<u>520,098</u>

Analysis in changes on net debt	At 1 October 2022	Cash flows	Other non-cash changes	At 30 September 2023
	£	£	£	£
Cash at bank and in hand	688,353	(332,119)	-	356,234
Other loans within one year	(575,000)	_____ -	_____ -	(575,000)
Total	<u>113,353</u>	<u>(332,119)</u>	===== -	<u>(218,766)</u>

1 Accounting policies

Charity information

Essential Christian is a private company limited by guarantee incorporated in England and Wales. The registered office is 14 Horsted Square, Uckfield, East Sussex TN22 1QG.

1.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2020) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Essential Christian meets the definition of a public benefit entity under FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees continue to look for ways to increase income, to do things differently and to reduce expenditure. After considering all the issues carefully, and with the financial support of grant-making trusts and a corporate backer who has provided substantial cashflow assistance, the trustees believe that the charity can operate on a sound financial footing for the next 12 months. For this reason the accounts are prepared on a going concern basis.

The significant outflow of funds in the cash flow statement was because of transferring £355,000 of restricted funds to the new Hope Lebedyn charity. The core work, represented by unrestricted funds, showed a surplus for a second year.

1.3 Consolidation

The group financial statements combine the results of the company and its subsidiary undertakings, Daybreak Music Limited (dormant), Song Solutions Limited (a holding company for the administration of royalties from Copycare Pacific Pty Ltd) and Copycare Pacific Pty Ltd under the acquisition method. Further details of these subsidiaries is given in note 10.

Essential Christian, Song Solutions Ltd and Daybreak Music Ltd have reporting dates of 30 September. Copycare Pacific Pty Ltd has a reporting date of 30 June but produces figures to 30 September that are incorporated into the consolidated financial statements. A separate Statement of Financial Activities for the charity itself is not presented.

1.4 Income

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the directors' estimated market value at the time of receipt. Income is shown net of VAT and other sales taxes.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

1 Accounting policies (continued)

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including rent of premises, are charged directly to the activity when incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition. Donated assets are included at fair value. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Motor vehicles	– over 4 years
Equipment	– over 4 to 10 years
Computer equipment	– over 3 to 4 years

1.7 Intangible fixed assets and amortisation

Intangible assets acquired separately are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Such assets are defined as having finite useful lives and the costs are amortised on a straight line basis over their estimated useful economic lives on the following bases:

Website development	– over 4 years
Intellectual property	– over 3 years

Intangible assets are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.8 Fixed asset investments

Fixed asset investments in subsidiary undertakings are shown at cost less impairment because the fair value cannot be measured reliably.

1.9 Stocks

Stock is stated at the lower of cost and realisable value. Work in progress is recognised on 50% of the total cost of masters of recordings produced in the year.

1.10 Debtors and prepayments

Trade debtors and other receivables are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1.11 Cash at bank and in hand

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

1 Accounting policies (continued)

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Creditors includes deferred income, which consist of income relating to events to be undertaken in the next year which have been invoiced and/or received before the year end.

1.13 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 Pension scheme arrangements

The pension costs charged represent the amount of the contributions payable in respect of the accounting period.

1.15 Cost of generating funds

This comprises expenditure incurred in the manufacture of goods and provision of services for non-charitable trading purposes and costs attributable to receiving donations.

1.16 Charitable activities expenditure

This comprises expenditure directly related to the objects of the group, including project management and support functions. Support costs are allocated principally on a basis of the proportion of time spent by employees.

1.17 Governance costs

This comprises expenditure to comply with statutory and legal requirements.

1.18 Foreign exchange transactions

Transactions and balances arising from non-UK subsidiaries are recognised at the exchange rate prevailing at the year end.

1.19 Operating lease commitments

Charges under operating leases are incurred in the period to which they relate.

1.20 Fund accounting

Unrestricted funds are expendable at the discretion of the directors in furtherance of the objects of the group.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

		2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
2 Investment income – unrestricted					
Bank interest: United Kingdom		983	-	983	1
Bank interest: Rest of the World		<u>405</u>	<u>-</u>	<u>405</u>	<u>25</u>
		<u>1,388</u>	<u>-</u>	<u>1,388</u>	<u>26</u>
3 Ministry Resources: Creation, Sales and Royalties – unrestricted					
Creation, Manufacture and Duplication of Media		1,418	-	1,418	6,010
Product Sales		165,119	-	165,119	144,070
Royalties		<u>1,394,913</u>	<u>-</u>	<u>1,394,913</u>	<u>1,442,751</u>
		<u>1,561,450</u>	<u>-</u>	<u>1,561,450</u>	<u>1,592,831</u>
4 Income from other sources – unrestricted					
Management charges from SHH		130,620	-	130,620	120,553
Management charges from Hope Lebedyn		<u>6,737</u>	<u>-</u>	<u>6,737</u>	<u>-</u>
		<u>137,357</u>	<u>-</u>	<u>137,357</u>	<u>120,553</u>
5 Expenditure					
	Note	Direct charitable expenditure £	Support costs £	Total 2023 £	Total 2022 £
Raising funds		29,091	6,741	35,832	38,404
Grants and grantmaking	19	513,300	1,276	514,576	117,287
Conferences and Events		3,307,628	233,583	3,541,211	3,555,693
Ministry Resources		<u>1,552,499</u>	<u>67,199</u>	<u>1,619,698</u>	<u>1,597,811</u>
		<u>5,402,518</u>	<u>308,799</u>	<u>5,711,317</u>	<u>5,309,195</u>
6 Net income/(expenditure) for the year				2023 £	2022 £
This is stated after charging:					
Staff costs (see note 7.1)				1,189,465	1,144,951
UK auditors' remuneration:				14,500	13,700
– for audit services				6,621	6,263
– for non-audit services				38,330	42,676
Depreciation				9,028	2,922
Amortisation				<u>72,051</u>	<u>91,387</u>
Operating lease rentals – land and buildings					

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

7 Employee information

7.1 Staff costs	Group 2023 £	Group 2022 £
Wages and salaries	1,020,670	968,129
Social security costs	94,915	101,170
Employer's contribution to defined contribution schemes	<u>73,880</u>	<u>75,652</u>
	1,189,465	1,144,951
Benefits in kind	<u>19,779</u>	<u>20,238</u>
	<u>1,209,244</u>	<u>1,165,189</u>

7.2 Staff numbers	2023 Number	2022 Number
The average monthly number of employees (on a total head count basis excluding non-Executive Directors) during the year was made up as follows:	<u>32.9</u>	<u>32.0</u>
The average monthly number of employees (on a full time equivalent basis excluding non-Executive Directors) during the year was made up as follows:	<u>28.3</u>	<u>26.7</u>

One employee received emoluments (excluding employer pension costs) between an annual equivalent of £80,000 and £90,000 in the year (2022: one between £80,000 and £90,000); plus employer pension costs of £7,069 (2022: £6,930).

7.3 Directors' emoluments

The following salaries were paid to the Executive Directors, as permitted by the Memorandum of Association:

	Salary £	Pension £	NICs £	Benefits in Kind £	Total 2023 £	Total 2022 £
P Martin	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,328</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes during the year is nil (2022: 1). Key management personnel remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) totalled £99,457 (2022: £104,782).

The following amounts were paid to or for the services of the non-executive Directors, as permitted by the Memorandum of Association under contracts for services:

	2023 £	2022 £
O Amartey	250	-
T Bright	-	240
D Green	450	700
C Rogers	<u>428</u>	<u>974</u>

Also during the year, total travel expenses of £1,043 (2022: £1,822) were reimbursed to 5 (2022: 7) directors. Directors' indemnity insurance of £2,838 (2022: £2,838) was paid during the year.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

8a Tangible fixed assets – GROUP

	Freehold Property £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Plant and Machinery £	Total 2023 £
Cost or valuation						
At 1 October 2022	2,170	186,895	458	25,200	132,696	347,419
Additions in the year	-	13,044	-	-	22,725	35,769
Disposals in the year	-	(21,470)	-	-	(1,241)	(22,711)
At 30 September 2023	<u>2,170</u>	<u>178,469</u>	<u>458</u>	<u>25,200</u>	<u>154,180</u>	<u>360,477</u>
Depreciation						
At 1 October 2022	2,170	148,533	458	25,200	106,145	282,506
Charge for year	-	22,962	-	-	15,368	38,330
Released on disposal	-	(21,470)	-	-	(1,241)	(22,711)
At 30 September 2023	<u>2,170</u>	<u>150,025</u>	<u>458</u>	<u>25,200</u>	<u>120,272</u>	<u>298,125</u>
Net book value						
At 30 September 2023	<u>-</u>	<u>28,444</u>	<u>-</u>	<u>-</u>	<u>33,908</u>	<u>62,352</u>
At 30 September 2022	<u>-</u>	<u>38,362</u>	<u>-</u>	<u>-</u>	<u>26,551</u>	<u>64,913</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

8b **Tangible fixed assets – COMPANY**

	Freehold Property £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Plant and Machinery £	Total 2023 £
Cost or valuation						
At 1 October 2022	-	183,792	-	25,200	133,776	342,768
Additions in the year	-	13,044	-	-	22,725	35,769
Disposals in the year	-	(21,470)	-	-	(1,241)	(22,711)
At 30 September 2023	<u>-</u>	<u>175,366</u>	<u>-</u>	<u>25,200</u>	<u>155,260</u>	<u>355,826</u>
Depreciation						
At 1 October 2022	-	145,432	-	25,200	107,223	277,855
Charge for year	-	22,962	-	-	15,368	38,330
Released on disposal	-	(21,470)	-	-	(1,241)	(22,711)
At 30 September 2023	<u>-</u>	<u>146,924</u>	<u>-</u>	<u>25,200</u>	<u>121,350</u>	<u>293,474</u>
Net book value						
At 30 September 2023	<u>-</u>	<u>28,442</u>	<u>-</u>	<u>-</u>	<u>33,910</u>	<u>62,352</u>
At 30 September 2022	<u>-</u>	<u>38,360</u>	<u>-</u>	<u>-</u>	<u>26,553</u>	<u>64,913</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

9 Intangible fixed assets – GROUP AND COMPANY

	Intellectual Property £	Website Costs £	Total £
Cost or valuation			
At 1 October 2022	-	22,084	22,084
Additions in the year	12,500	13,813	26,313
Disposals in the year	-	-	-
At 30 September 2023	<u>12,500</u>	<u>35,897</u>	<u>48,397</u>
Amortisation			
At 1 October 2022	-	2,922	2,922
Charge for year	1,736	7,292	9,028
Released on disposal	-	-	-
At 30 September 2023	<u>1,736</u>	<u>10,214</u>	<u>11,950</u>
Net book value			
At 30 September 2023	<u>10,764</u>	<u>25,683</u>	<u>36,447</u>
At 30 September 2022	<u>-</u>	<u>19,162</u>	<u>19,162</u>

10 Fixed asset investments – COMPANY

	2023 £	2022 £
Shares in subsidiaries - Cost less impairment		
At 1 October 2022	1,128	1,128
Disposals	-	-
At 30 September 2023	<u>1,128</u>	<u>1,128</u>
Historical cost at 30 September 2023	<u>1,128</u>	<u>1,128</u>

Essential Christian owns 100% of the issued share capital of Daybreak Music Ltd (company number 01438805) and Song Solutions Ltd (company number 02714955), which are both companies registered in England and Wales at the same address as Essential Christian. Daybreak Music Ltd had net assets at 30 September 2023 of £1,000 and profit for the year then ended of £nil. Song Solutions Ltd had net assets at 30 September 2023 of £100 and profit for the year then ended of £nil.

Essential Christian also holds a 70% stake in Copycare Pacific Pty Limited, a company registered in Australia, by virtue of its 100% shareholding in its immediate parent company, Song Solutions Ltd. Copycare Pacific Pty Limited had net assets at 30 September 2023 of AUS\$25,187 and profit for the year then ended of AUS\$13,482.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

11 Stocks – GROUP AND COMPANY

	2023 £	2022 £
Goods for resale	8,507	23,739
Work in progress	-	891
	<u>8,507</u>	<u>24,630</u>

12a Debtors – GROUP

	2023 £	2022 £
Trade debtors	81,306	152,637
Other debtors including other taxation	41,887	33,301
Prepayments and accrued income	<u>109,135</u>	<u>119,298</u>
	<u>232,328</u>	<u>305,236</u>

12b Debtors – COMPANY

	2023 £	2022 £
Trade debtors	81,306	152,637
Other debtors including other taxation	40,787	32,201
Prepayments and accrued income	<u>109,135</u>	<u>119,298</u>
	<u>231,228</u>	<u>304,136</u>

13a Creditors: Amounts falling due within one year – GROUP

	2023 £	2022 £
Other loans	575,000	575,000
Trade creditors	46,064	52,507
Other creditors including taxation	211,366	247,750
Accruals and deferred income	<u>191,610</u>	<u>276,412</u>
	<u>1,024,040</u>	<u>1,151,669</u>

13b Creditors: Amounts falling due within one year – COMPANY

	2023 £	2022 £
Other loans	575,000	575,000
Trade creditors	46,064	52,507
Other creditors including taxation	101,707	153,157
Accruals and deferred income	<u>191,610</u>	<u>276,412</u>
	<u>914,381</u>	<u>1,057,076</u>

The other loans are interest free and repayable on 30 days notice. Such notice is not to be given before 31 May 2024. They are secured via a fixed and floating charge on the assets of the company.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

14a Unrestricted funds – GROUP

	Balance B/F £	Minority interests £	Income £	Expenditure £	Transfers £	Balance C/F £
General funds - 2023	(443,263)	1,328	4,997,579	(5,016,303)	-	(460,659)
Designated funds - 2023	-	-	100,000	-	-	100,000
	<u>(443,263)</u>	<u>1,328</u>	<u>5,097,579</u>	<u>(5,016,303)</u>	<u>-</u>	<u>(360,659)</u>
General funds - 2022	<u>(608,876)</u>	<u>(1,741)</u>	<u>5,141,253</u>	<u>(4,984,799)</u>	<u>10,900</u>	<u>(443,263)</u>

14b Unrestricted funds – COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
General funds – 2023	(455,581)	4,809,162	(4,823,460)	-	(469,879)
Designated funds – 2023	-	100,000	-	-	100,000
	<u>(455,581)</u>	<u>4,909,162</u>	<u>(4,823,460)</u>	<u>-</u>	<u>(369,879)</u>
General funds - 2022	<u>(617,131)</u>	<u>4,883,624</u>	<u>(4,732,974)</u>	<u>10,900</u>	<u>(455,581)</u>

A donation received was designated for the development and growth of Song Solutions.

15 Restricted funds – GROUP AND COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
2023					
SH Partnership Fund	-	96,183	(96,183)	-	-
SH North	91,237	-	(91,237)	-	-
Seed Fund	3,440	37,941	(17,000)	-	24,381
SH Youth offering appeal 2023	-	592	-	-	592
SH Children's offering appeal 2023	-	1,318	-	-	1,318
SHH offerings fund	-	6,784	(6,784)	-	-
SHH offerings fund: Accessibility Fund	2,601	-	(393)	-	2,208
Hope Lebedyn	<u>291,294</u>	<u>192,123</u>	<u>(483,417)</u>	<u>-</u>	<u>-</u>
	<u>388,572</u>	<u>334,941</u>	<u>(695,014)</u>	<u>-</u>	<u>28,499</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

15 Restricted funds – GROUP AND COMPANY (continued)

2022

SH Partnership Fund	-	117,663	(117,663)	-	-
SH North	182,475	-	(91,238)	-	91,237
Seed Fund	-	15,940	(12,500)	-	3,440
SH Youth offering appeal 2023	-	907	(907)	-	-
SH Children's offering appeal 2023	-	1,301	(1,301)	-	-
SH Youth offering appeal 2019	1,866	-	(1,866)	-	-
SH Children's offering appeal 2019	1,927	-	(1,927)	-	-
SHH offerings fund	-	5,132	(5,132)	-	-
SHH offerings fund: Accessibility Fund	2,805	-	(204)	-	2,601
Hope Lebedyn	<u>54,782</u>	<u>339,070</u>	<u>(91,658)</u>	<u>(10,900)</u>	<u>291,294</u>
	<u>243,855</u>	<u>480,013</u>	<u>(324,396)</u>	<u>(10,900)</u>	<u>388,572</u>

SH Partnership Fund

The Spring Harvest Partnership Fund comprises gifts made specifically in support of and for running the Spring Harvest event.

SH North

This comprised a donation in 2020 to support Spring Harvest in the North.

SH Youth and Children's offering 2019 appeals

These funds were raised in the programmes at Spring Harvest 2019 and both were split equally between 24/7Prayer in its support of a church in the Middle East, and providing for Spring Harvest to be more accessible to people with additional needs or whose families could not afford to come without help. The latter segment was carried forward.

SH Youth and Children's offering 2023 appeals

The collections in these programmes were for the 'Everyone In' fund, which provides discounts and bursaries to help people on low incomes to attend Spring Harvest.

SHH Offerings fund

These funds were given by Spring Harvest Holidays guests to be used to support projects in France, a bursary scheme to assist people who would not otherwise be able to attend, and seasonal children's workers who were moving into ministry or training roles.

SHH Offerings fund: Accessibility Fund

The allows for improved facilities for Spring Harvest Holidays guests with disabilities.

Seed Fund

This was a 10% tithe of gifts to the Spring Harvest offering plus a specific donation to provide seed funding to individuals with a Christian vision to start local projects to restore, renew and serve their communities. In 2023 there was an additional focus on supporting children and young people.

Hope Lebedyn

This comprises funds given in support of a mission centre and church in Lebedyn, Ukraine, as set out in the Report. Last year, a transfer was made from Hope Lebedyn to general funds in 2022 in respect of a management charge to cover Essential Christian's staff time on work associated with this fund.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

16a Analysis of net assets by fund – GROUP 2023

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	62,352	-	62,352
Intangible fixed assets	36,447	-	36,447
Net current (liabilities)/assets	(455,470)	28,499	(426,971)
Minority interests	(3,988)	-	(3,988)
	<u>(360,659)</u>	<u>28,499</u>	<u>(332,160)</u>

16b Analysis of net assets by fund – COMPANY 2023

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	62,352	-	62,352
Intangible fixed assets	36,447	-	36,447
Investments	1,128	-	1,128
Net current (liabilities)/assets	(469,806)	28,499	(441,307)
	<u>(369,879)</u>	<u>28,499</u>	<u>(341,380)</u>

16c Analysis of net assets by fund – GROUP 2022

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	64,913	-	64,913
Intangible fixed assets	19,162	-	19,162
Net current (liabilities)/assets	(522,022)	388,572	(133,450)
Minority interests	(5,316)	-	(5,316)
	<u>(443,263)</u>	<u>388,572</u>	<u>(54,691)</u>

16d Analysis of net assets by fund – COMPANY 2022

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	64,913	-	64,913
Intangible fixed assets	19,162	-	19,162
Investments	1,128	-	1,128
Net current (liabilities)/assets	(540,784)	388,572	(152,212)
	<u>(455,581)</u>	<u>388,572</u>	<u>(67,009)</u>

17 Constitution of the company and status

The governing instrument of the company is its Memorandum and Articles of Association. The company is limited by guarantee, the liability of each member being limited to £1. At 30 September 2023 there were 7 members (2022: 8 members).

The company is registered as a company with number 06667924, registered with the Inland Revenue and is exempt from corporation tax on its charitable activities.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

18 Pension scheme arrangements

The group makes contributions to personal pension plans held by employees. The pension cost charge represents the contributions paid by the group to the funds and amounted to £73,880 (2022: £75,652) for the year.

19 Grants and grantmaking

The following institutional and individual grants were made by the charitable company during the year:

		2023
		£
<i><u>Institutional grants</u></i>		
Sumy Spiritual Revival Centre, Lebedyn	<i>(Hope Lebedyn)</i>	16,254
Hands of Hope	<i>(Hope Lebedyn)</i>	200
Bible Society	<i>(Hope Lebedyn)</i>	3,560
Sovtransavto	<i>(Hope Lebedyn)</i>	880
Hope Lebedyn CIO	<i>(Hope Lebedyn)</i>	355,730
Addlestone Baptist Free Church	<i>(Spring Harvest Seed Fund)</i>	1,000
St Mary's Wythall	<i>(Spring Harvest Seed Fund)</i>	500
Ainon Baptist Chapel	<i>(Spring Harvest Seed Fund)</i>	500
Selective Mutism Forest School	<i>(Spring Harvest Seed Fund)</i>	1,500
NxtMove Europe	<i>(Spring Harvest Seed Fund)</i>	1,000
Family Community Choir	<i>(Spring Harvest Seed Fund)</i>	2,500
Fishponds Baptist Church	<i>(Spring Harvest Seed Fund)</i>	2,500
Encounter: Worship Together	<i>(Spring Harvest Seed Fund)</i>	2,500
School Uniform and Swap Café	<i>(Spring Harvest Seed Fund)</i>	1,000
SAS Le Pas Opton	<i>(Spring Harvest Holidays)</i>	<u>393</u>
Total institutional grants		390,017
<i><u>Grants to individuals</u></i>		
EC Hope Lebedyn local church team	<i>(Hope Lebedyn)</i>	83,503
Seed Fund grants total	<i>(Spring Harvest Seed Fund)</i>	<u>4,000</u>
Total of institutional and individual grants		87,503
Grantmaking costs		<u>37,366</u>
Total grants and grantmaking		<u>514,886</u>

The grants for Hope Lebedyn activities made to other institutions and to individuals were made before the remainder of the Hope Lebedyn funds, £355,730, were passed over to the new charity called by that name.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

20 Financial commitments

The charitable company's total future minimum lease payments under operating leases at 30 September 2023 were payable as set out below:

	2023 £	2022 £
Within one year	56,440	82,040
Within two to five years	-	-
More than five years	-	-
	<u>56,440</u>	<u>82,040</u>

The operating lease charges for the year were:

	2023 £	2022 £
Land and buildings	68,451	87,087
Hire of plant, machinery and fittings	<u>3,600</u>	<u>4,300</u>
	<u>72,051</u>	<u>91,387</u>

21 Related party relationships and transactions

ZipAddress Ltd and AFD Software Ltd are companies controlled by D Dorricott, a director of Essential Christian. During the year interest free loan advances of £350,000 (2022: 550,000) were received by Essential Christian from ZipAddress Limited. There was an opening balance of £575,000 (2022: £750,000). £nil (2022: £400,000) was converted to a gift from AFD during the year and £350,000 (2022: £325,000) was repaid, leaving a balance of £575,000 (2022: 575,000) at the year end. In addition a £200,000 donation was received from AFD Software Ltd (2022: £nil).

During the year £130,620 (2022: £120,553) of income relating to management services was received from Spring Harvest Holidays Ltd, a company registered in England and Wales and owned by ZipAddress Ltd and of which D Dorricott is a mutual director.

During the year £3,600 (2022: £5,400) of purchases were made from PCC of All Hallows Bromley by Bow, a charity registered in England and Wales of which Christopher Rogers, a director of Essential Christian, is a trustee.

During the year royalties of £3,883 (2022: £4,112) were paid to Elim Sound, which is a ministry of the Elim Foursquare Gospel Alliance, where Rev Olivia Amartey is Executive Director.

The total amount of donations received from directors during the year restricted for Spring Harvest was £nil (2022: £2,690).

The total amount of donations received from directors during the year restricted for Hope Lebedyn was £nil (2022: £200). £36,000 (2022: £nil) was received from ZipAddress Ltd as a grant towards Hope Lebedyn. Donations of £5,000 (2022: £15,000) were received from The Stuart Hine Trust which is a charity of which Phil Loose, CEO of Essential Christian, is a trustee.

During the year £21,280 (2022: £nil) of advertising and sales were made to Home for Good, of which Olivia Amartey is a director and Tania Bright is the CEO. Furthermore £31 (2022: £nil) of royalties were paid to Home for Good.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

22 Contingent liability

The lease for Unit 13 and 14 Horsted Square is due to expire in October 2024. There is a possible liability in respect of a dilapidations claim in excess of the routine maintenance and decoration required, given the alterations Essential Christian have made, however it is not practicable to identify the possible financial impact.



SPRING
HARVEST

Ministry Impact Report

SPRINGHARVEST.ORG





At the end of 2023, we want to celebrate Jesus and His work in our lives.

Spring Harvest is the catalyst for so much ministry impact that it is hard to know where to start and what to include. So on behalf of the one thousand strong team and volunteers, the group organisers, the event planning group, the staff team and the Board, we just want to say thank you to Jesus as we get to serve Him every year.

There are a lot of numbers in this review, but this report is about people not numbers. It's about lives restored and transformed as they are "Flipped" in the kingdom of God.

So find a favourite story from just a small number we list here – and then remember the part you had to play in seeing the great commission fulfilled, the church revitalised and communities transformed as a result of this year's outstanding Spring Harvest festival.

Today, this story stood out to me.....



"I am Alastair and have Down's Syndrome. I went to Count Everyone in with my dad every day. He thought it was as good as the evening meetings at Studio36. We want to say a big big thank you to Janneke and her team because she is brilliant and the stories were wonderful. She even made a sign for jet propelled horses. We hope you are not worn out and were also blessed."



Thank you for your prayers on behalf of this ministry, thank you to all who give financially and whose ministry of giving enables so much to be achieved in the ongoing history of the health of the church.

Everyone has a part to play. We're grateful to all be in this together and give all the glory to God for all He does in us and through us.

Phil Loose
Group CEO: Essential Christian



The Impact



Spring Harvest, supporting the work of **Sports Ministry across the nation** provided an opportunity for guests to receive quality coaching from leading organisation Kick. At least **2** new academy's are being launched as a result.

A new relationship with **Alpha** is blossoming and this year. **673** people attended Alpha sessions.

Inspired by the match funding promise the **offering** was an amazing **£229,000** and then matched! Praise the lord!

Over **700** people (*equating to more than £60,000 grants awarded*) **were able to attend that otherwise couldn't afford to come.**

Those **recovering from addiction** were able to meet and receive support and prayer ministry.

573 children chose to stand up and **give their life to Jesus.**

12 new **community projects** were funded and are now up and running and blessing communities all over the country thanks to the Seed Fund.

Over **160** **pastoral appointments** helping those who are dealing with significant challenges in their lives.

11% of our adult guests were able to access **mental health support** through our daily seminars.

This year our worship and teaching was **broadcast live** into over **70** **prisons** with a potential reach of more than **63,000** **prisoners** thanks to a collaboration with WayOutTV and Prison Chaplaincy UK.

The Heart



One of the ladies who was watching SH Home the whole week was joining us from intensive care in hospital, and **while she was watching, she came back to Jesus**. A gentleman called Alistair also came back to Jesus while watching with his wife.

There was a young girl who spent one of the worship sets crying and being prayed for by a group of friends and a leader. At the end of the set **she felt peace**. She had been abused as a child and her body carried physical scars from the abuse; **after she had been prayed for the scars had disappeared**.

My 8 year old asked Jesus if she could be part of His Kingdom forever. Praising God! Thanks for all your work. Keep going.



Experienced Spring Harvest as a child, young person and adult. Have been a steward, on the kids team, youth team & tech team too. But SH2023 as a parent was a whole other level. **Thank you for your continued and faithful investment in young lives** from a tired but inspired parent!

Thank you soooo much! We had not been for 9 years and I was unsure what to expect, but boy was I blessed. I'm 53 and have been recently diagnosed with CPTSD. All the openness around trauma was so welcome. I've spent all my life trying to fit in, to feel accepted and loved but never totally achieved it. Years ago I had a picture during a prayer event, I was hiding under the table, well all these years later, as Tarn spoke about extending your table/welcome, **I looked Jesus in the eyes and joined him at the table. Life changing for sure. Thank you, thank you, thank you.**



My 14-year-old daughter **feels more secure in her faith** and is ready to take what she has discovered with her into them tricky school classroom moments.



“I don’t remember sitting with her before, but she remembered my name, that’s so lovely.”

The Spring Harvest Seed Fund has had a transformative impact on The Welcome Table project, a vital initiative meeting the physical need for food and fellowship. With the generous support from the Spring Harvest Seed Fund, we’ve hosted two heartwarming Welcome Table meals, fostering a flourishing sense of community.”

This fund has sown the seeds of togetherness and belonging, enabling The Welcome Table to continue its vital work in Tewkesbury.



My 8-year-old daughter has had an awesome week. She gave her life to Jesus. We go to church as a family. So I asked her what was different. She said **“Before, I knew about God, but this week I met him.”** She woke up on the morning after making a commitment to follow Jesus, and immediately was reading her Bible, instead of playing on her tablet.

To the Skegness youth team, thank you. My 14-year-old daughter loves Christian festivals but not church. **After Spring Harvest she is saying she will try church and youth again.** Thank you!

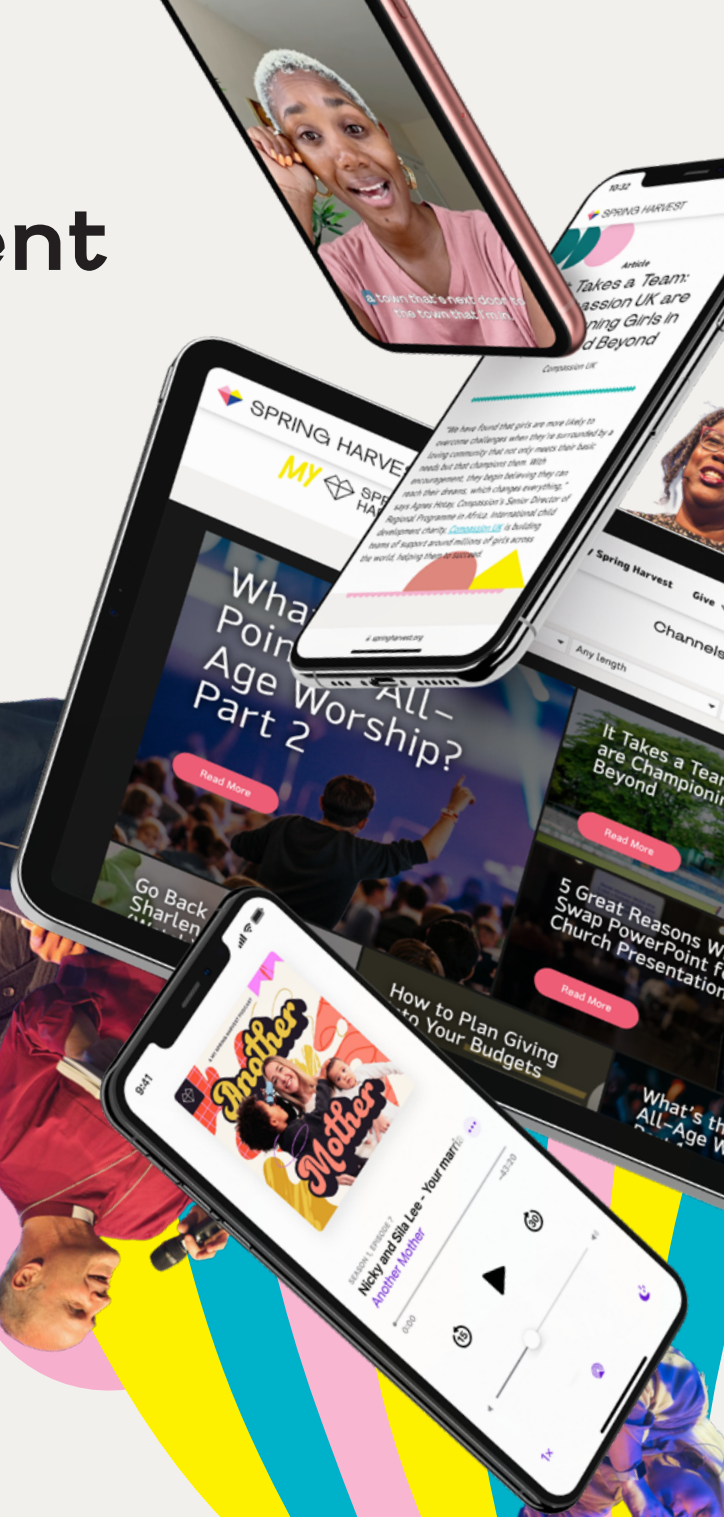
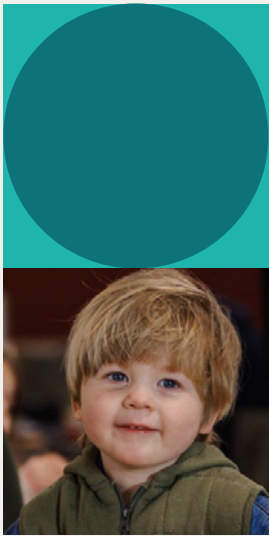
I spent most of the service in tears **seeing children and adults fully engaged in worship, praying for others.** It was amazing! I shall be taking back so many new ideas and practices, but most importantly, I have felt afresh God’s heart and love for children. Thank you!



Beyond the Event



Spring Harvest continues to resource and equip the church for action 365 days a year. 'MY Spring Harvest' is reaching the lost and the least and contending for the next generation!



ESSENTIAL CHRISTIAN

England & Wales - Charity number 1126997

Accounts

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2022**

**Company Number: 06667924
Charity Number: 1126997**

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2022

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ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report together with the audited group financial statements for the year 1 October 2021 to 30 September 2022 which have been prepared in accordance with the current statutory requirements, the company's memorandum and articles of association and the Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

Reference and Administrative Details

<u>Charity Number</u>	1126997
<u>Company Number</u>	06667924
<u>Principal / Registered Office</u>	14 Horsted Square Uckfield East Sussex TN22 1QG
<u>Bankers</u>	Lloyds Bank plc 8 High Street Lewes East Sussex BN7 2AD
<u>Solicitors</u>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
<u>Auditors</u>	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Directors

The directors who held office during the year were as follows:

Non-executive directors

Ms Olivia Amartey	
Mr Geoffrey Booker	until 7 December 2021
Ms Tania Bright	
Rt Rev Peter Broadbent	until 30 November 2022 <i>Chair until 6 December 2021</i>
Mr David Dorricott	
Ms Elaine Duncan	
Ms Debra Green OBE	
Rev Christopher Rogers	
Mr Martin Young	<i>Chair from 7 December 2021</i>

Executive Vice-Chair

Mr Peter Martin	until 31 October 2021
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Chief Executive

Mr Phil Loose

Ethos

Essential Christian is a Christian organisation. Its reason for existence and ongoing ethos is to serve Jesus Christ and represent Jesus Christ and his teaching to the world. This service is undertaken through delivering the objectives and activities of the Charity for the public benefit.

Objectives and Activities

The object of the charity is to advance the Christian faith throughout the world and to do so principally, but not exclusively by:

- serving the Christian church worldwide;
- enabling the Christian church worldwide;
- informing, inspiring and equipping Christians to live out their Christian faith with biblical integrity, heartfelt unity and cultural relevance; and
- encouraging people to live as disciples of Jesus Christ.

The charity seeks to promote Christian faith and teaching, discipling and evangelism, and to contribute to the quality of life of individuals and families, whether they are currently engaged with the Christian church or on a personal spiritual journey.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

The strategies employed to achieve the company's objectives for the year included:

- the provision of the annual Spring Harvest teaching event, available to people of all ages, from all sections of the community;
- assisting with the delivery of holidays with Christian teaching at a resort in France;
- delivering booking and conference infrastructures for events provided by other organisations;
- producing printed material;
- recording and distributing audio and video teaching material;
- producing and publishing Christian music;
- providing a royalty administration service;
- enabling access to audio, video and written materials;
- offering discounts to make Spring Harvest accessible to those otherwise unable to come;
- donations to other Christian work.

Public Benefit

The directors are aware of their responsibility to ensure that the charity provides public benefit. Essential Christian aims to equip and enable the Church and her members through providing events and resources. Accordingly the activities provide spiritual benefit to a large number of people, assist churches to serve their communities, and help schools with collective worship.

Essential Christian:

- promotes the study of and application of the Bible through seminars and addresses at Spring Harvest and Spring Harvest Holidays, and through audio and video recordings both from its own events and other events;
- gives opportunities to engage in corporate prayer and praise, often with a large number of people;
- provides opportunities for families to enjoy time together in a relaxed, teaching setting;
- records and distributes Christian music;
- makes its expertise in conference management available to other organisations;
- produces materials for primary school assemblies.

Teaching and music recordings are available at a price which makes them accessible to everyone, regardless of income. Discounts and grants are offered to assist people experiencing financial hardship to attend the Spring Harvest, and it is also available online at a substantially reduced price

Structure, Governance & Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 8 August 2008 and registered as a charity on 28 November 2008. The company is governed by its Memorandum and Articles of Association. There are currently 7 members and Directors of the company.

Board of Directors

The Board carries the legal and financial responsibility for the charity and establishes the vision and mission while monitoring its activities and policies. The Board met 8 times over the year. In addition there is a Finance Committee which for most of the year consisted of four Board members, the CEO and three other staff members.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Directors have a wide knowledge of the beneficiary and potential beneficiary group served by the charity. All Directors are invited to nominate new Directors, having regard to the skills, experience or representation identified as being required at the time. Suggestions may also be sought from others who know the charity well. Full discussion takes place on each of the nominees before an appointment is made.

The Board of Directors is satisfied that both the legal and financial needs of the company are well served by its current professional advisors.

A register of interests is held on the Directors and is updated annually.

Directors' Induction and Training

New Directors often come with extensive experience on the boards of other charities or businesses and are familiar with Essential Christian having participated in one or more of its activities. Most new Directors come with a high level of awareness of the company's objectives, structures and operational activities.

New Directors are supplied with the Memorandum and Articles of Association, current minutes and recent financial reports, and the statement of Beliefs, Purpose and Values. They are also directed to the current Charity Commission publications for new trustees.

Before attending their first Directors' meeting the Chief Executive and/or the Chair will seek to meet the new Director to answer any questions they may have. Where appropriate, additional induction and meetings with other Directors and staff will be provided.

Structure

The charity operates under brands to distinguish its activities.

- Big Start Assemblies
Growing out of the Big Start programme at Spring Harvest, Big Start Assemblies offers ready-to-use material for Key Stages 1 and 2 primary school assemblies, with presentations, videos, songs and scripts designed to meet Ofsted and SIAMS requirements.
- EC-GO
This online channel provides thousands of recordings of inspirational teaching from many events.
- Essential Christian Songs
A website featuring songs and authors with a search facility, this resource provides worship leaders and others with tools to find and use the ideal song for a particular context.
- Essential Christian Store
A wide range of Christian resources, including talks from conferences going back many years, were available for sale online and at events.
- Essential Event Management
Using the experience built up over many years running Spring Harvest and other events, Essential Event Management makes these event-delivery skills available to the wider Christian community and beyond.
- Hope Lebedyn
Through a link with a mission centre in eastern Ukraine, the charity supports the work of the Church in an area of extreme poverty using funds given specifically for this purpose.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

- Song Solutions
Song Solutions supports songwriters and artists through publishing and nurturing young writers, and also administers copyrights and royalties on Christian music, both those held by the charity and on behalf of clients in UK and worldwide.
- Spring Harvest
The Spring Harvest main event takes place within the Easter school holidays and returned in 2022 to its usual format in 2022 using the Butlins facilities at Minehead and Skegness.
- Spring Harvest Holidays
Operating as a separate company, Spring Harvest Holidays extends the vision of Spring Harvest into France offering a mix of holiday relaxation and spiritual input at its resort in the Vendée region. Many Spring Harvest speakers give Bible teaching during the season. Essential Christian provides services to Spring Harvest Holidays.

In furtherance of its activities Essential Christian has two wholly-owned subsidiaries: Song Solutions Ltd, which in turn owns Copycare Pacific Pty Ltd, which undertakes copyright administration; and Daybreak Music Ltd, which owns a number of copyrights.

Further details are given in Note 10 to the financial statements.

Management & Staffing

The Chief Executive appointed by the Board is responsible for the day-to-day operations of the charity and has delegated authority for operational matters, including day-to-day finance, communications and business development. In addition the Chief Executive is responsible for recruiting the staff team and ensuring that there are the skills and expertise needed to run the charity. The charity is well served by a highly-motivated staff team, which includes some recent appointments alongside experienced individuals on the senior team.

The key management personnel of the charity are the chief executive and directors listed on page 1. All non-executive directors give of their time freely and no director received any remuneration in the year for being a director. Payments are sometimes made for additional services. Details of directors' payments, expenses and related party transactions are disclosed in Notes 7.3 and 21 to the financial statements. The pay of the Chief Executive and other staff is reviewed annually.

The Spring Harvest event programme is devised by a Planning Group, which reports to the Board and which prayerfully considers the event programme and its delivery every year. The Group includes two Board members and several others who together bring theological and leadership skills. Membership changes periodically so that the group is refreshed from time to time.

Risk Management

The Directors have a risk management strategy which comprises:-

- an annual review document showing the risks to the organisation and the control measures to be taken, covering areas of governance, management, activities, premises, IT, finance, litigation and reputation;
- consideration of this document by the Board;
- further discussion of those areas where greater risks are identified and the establishment of systems and procedures to mitigate those risks; and
- the implementation of procedures designed to minimise where possible the impact on the charity should those risks materialise.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Based on this risk review, the Directors consider the highest risks, and the means by which they may be mitigated, to be:

- A reduction in the number of guests at Spring Harvest physical events leading both to a reduction in delivering its ministry and to a loss of income. This could be because of a commercial decision by the resort owners, the pattern of annual school holidays, coronavirus restrictions or other circumstances outside the charity's control. The addition of digital delivery allows more people to engage, but does not deliver the same level of income.
- Insufficient donor income. Donations are critical to the charity's ability to sustain the activities. Work is being done to expand the number of donors.

Achievements and Performance

Essential Christian's activities fall into three broad categories: Conference and Event Ministry, Ministry Resources, and Grant-making.

(1) Conferences and Event Ministry

This includes Spring Harvest, Spring Harvest Holidays and activities undertaken by Essential Event Management on behalf of other organisations.

- Spring Harvest

After two years when the event was entirely online, Spring Harvest in 2022 was held again at the Butlins resorts in Minehead and Skegness during the Easter school holidays, with a 5-day event in each location.

The theme was about helping God's People – the Church – on the journey of rebuilding after the Covid years. The event was titled *Restore, Renew, Rebuild*, drawing from the book of Nehemiah and focusing attention towards the restoration of our hearts, the renewing of our faith and the rebuilding of our communities. Guests queued for the Big Start, filled the Bible teaching each morning, rejoiced in worshipping each evening, and enjoyed the time for refreshment and restoration in the holiday atmosphere. It was good to be back.

Over 11,000 people attended, including team members and day visitors, and over 3,000 engaged online. In addition, over a million saw Spring Harvest on BBC Songs of Praise. Attendance on the resorts was below capacity partly because one of the events was outside school holidays in parts of the country but mainly because of continuing caution about coronavirus as infections continued at a high level in the months before the event. The last restrictions were not lifted until February.

Main meetings on both sites were held in the new Studio 36 arenas. The range of large venues on the resorts makes it possible to run several programmes simultaneously. Age-appropriate programmes in several age groups were held for under 18s alongside the programme for adults which included two Bible studies offering different approaches and three evening Celebrations on each of the full days, as well as theme sessions, a range of seminars and workshops, matinee performances and evening entertainment. All age groups address the same core theme, adapted appropriately, so when back in their family or church group they can share what has been learnt.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Mornings began with an all-age, dynamic 'Big Start', followed by the main Bible teaching and then sessions covering the key themes as well as leadership, mental health and parenting streams. Alongside the seminars and workshops there was a comprehensive, family focused sports programme each afternoon. In the evenings there were celebrations for corporate worship and teaching. For guests who, because of Covid, were still anxious about being in a large group talks were made available free of charge if they did not want to attend a seminar, and the main meeting could be accessed in guest accommodation through Butlin's TV system.

The event was made accessible to guests with disabilities through the provision of BSL signing, speech to text, loop systems, braille and large print material. Multi-sensory areas were available in children's and youth venues. An experienced disability co-ordinator was available at each location to handle questions which may arise on a one-to-one basis. A stream for adults with learning disabilities was organised in conjunction with the charity *Count Everyone In* at the Minehead event.

A highly skilled and experienced pastoral team was available at each event to meet with individuals. They arranged over 300 appointments. A prayer ministry team was also available after the evening celebrations for guests who requested prayer.

Spring Harvest is only able to run because many people give their time freely to assist in many different ways and we are very grateful for their support. To deliver the event in 2022, 830 team members were recruited, the majority being volunteers. Because there are children and vulnerable adults at the event, a system is in place to make appropriate checks with the Disclosure and Barring Service and to take up references on team members.

Guests gave £148,000 to the main Offering appeal. Of this, a tithe of 10% went towards a Seed Fund for new projects across the UK (see below) and 90% was to support Essential Christian's ministries, including the provision of discounts and bursaries to help people on low incomes to attend Spring Harvest. A further £2,200 was given in the Youth and Children's Offerings, of which 50% went to the Seed Fund and 50% to Essential Christian's ministries. Details of restricted funds are given in Notes 15 and 19 to the financial statements.

Spring Harvest impacts lives, builds faith and encourages those who attend or who watch in their homes to live as disciples of Jesus Christ. Over six hundred people chose to become disciples or renew their commitment during the event. Many positive comments were received from guests.

It was awesome! I don't know where to begin to thank you.

I waited 3 years to go there as a guest with my friend. We loved every minute.

The start of the first celebration evening was emotional, bringing us back together again.

Spring Harvest is life changing, being with thousands of like-minded people worshipping together in God's love.

My son who is autistic and has ADHD being able to access all his group sessions and being so happy and settled. He engaged with the teaching and loved Big Start.

Such a wonderful week on so many levels - Thank you so much to all the people that put Spring Harvest together and all the volunteers. Came back with exhausted, happy children and we all had a great time.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

The teaching was amazing, the worship was amazing, being away with my family was amazing, God is amazing!! Everything about it was my favourite. Thank you Spring Harvest for helping us create so many beautiful memories with our family and providing us a place to just be and hear God.

Digital innovation

In April 2022 a new Event App was launched for guests. This included the entire programme, biographies and photographs of contributors, information on the exhibition, a space for stories and testimonies, and all the practical details. It also enabled rapid communication to guests of any programme changes or book signings. For guests who preferred a printed version, a 'mini programme' gave an overview of the programme and essential information.

A digital platform, *MySpringHarvest*, was also launched, which gave guests an opportunity to receive free recordings of sessions which they were not able to attend and to store personal notes. Following the event, those who signed up received monthly bulletins with articles, interviews and resources. Two thousand people opted to be part of this new community, enabling Spring Harvest to resource guests beyond the event,

Spring Harvest Home

A temporary studio was built at Minehead to host the online delivery of the event to over 3,000 digital subscribers. This was partly to meet the needs of those more vulnerable who did not want to attend the event in person because of the risk from Covid. The Big Start, Bible teaching and Main Celebration were relayed live. Premier Lifeline provided pastoral support after the evening celebration.

- Spring Harvest Holidays

The 2022 summer season saw over 4,300 guests enjoy their vacation at Le Pas Opton holiday park in France.

The offices of Spring Harvest Holidays are situated within Essential Christian's premises and during the course of the year the charity provided administrative and management assistance, the costs of which were reimbursed under a management agreement between the charity and Spring Harvest Holidays Ltd.

- Event Services

Through Essential Event Management the charity assisted other agencies to run their events, both in-person and online.

The Lambeth Conference

This was by far the biggest event. Convened approximately every ten years by the Archbishop of Canterbury, and after two years of delay because of Covid, the conference took place over two weeks in July 2022. It was an international meeting of over 700 Anglican bishops, their spouses and guests, from 165 countries for Bible study, prayer and discussion on church and world affairs.

Working with the organisers since 2018, Essential Event Management provided a virtual meeting platform for bishops to discuss conference themes in the two years prior to the gathering, and full event management services as principal contractor for the event itself, including delegate registration, transport, referencing, volunteer management, production and logistics, and event safety. This involved working closely with the University of Kent, Canterbury Cathedral and Lambeth Palace to ensure that everything was in place for the different event elements. EEM also arranged a visit to London which ended with a boat trip on the Thames, and engaged with other organisations to provide a resource centre and bookshop.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

The CEO of the Lambeth Conference charity, which was responsible for the event, wrote afterwards that EEM

... delivered multiple dimensions for this unique conference... Their project management prioritised high production values, a flexible, solution-focused approach to the event operation and a friendly, collaborative client focus in all that they did. ... On behalf of everyone involved in the Lambeth Conference in 2022, I express my heartfelt gratitude to all of the EEM events team on a job well done.

(2) Ministry Resources

This includes activities undertaken through the Essential Christian and Song Solutions brands in creating audio, video and print media, making these available to purchasers, and in copyright administration and royalty collection.

- Music and Books

The decline in DVD and other physical music sales has continued since Covid. However, with the return of the in-person Spring Harvest event in 2022, the live worship was captured and released in a digital format. The songs were released over a period of months and saw very good engagement. Digital streaming of back catalogue songs grew and, in part, replaced lost revenue from physical product sales.

A theme book and workbook were published with SPCK for the Spring Harvest event. Work continued with authors on new titles as the relationship developed.

- Spoken Word

Because there were fewer events, there were fewer recordings of talks and seminars to release; however recordings of Bible expositions and seminars were made for Spring Harvest and for other Christian events and conferences including Youthscape's National Youth Ministries Weekend. These recordings provided a resource for attendees to take teaching home and listen to it again or pass it on to their friends, and for others who were not at the event to access it themselves. Recordings were made available in various formats including YouTube, CD, DVD, USB, MP3 and MP4 format, and were available during or shortly after the end of the event.

- Sales

The essentialchristian.com website, which operates in partnership with St Andrew's Bookshop, carried a range of music, DVDs, Bibles, books, church resources and Christian gifts. Sales also took place through Christian bookshops and other online retailers.

Most music is available worldwide through distribution agreements; and spoken word through the internet.

- Duplication

A low volume of in-house duplication continued, but this is being wound down as the demand for physical media declines.

- Copyrights administration

Under Song Solutions (Copycare) Essential Christian administers over 150,000 songs globally from its own office and through franchise partners around the world. This has potential to increase through securing new administration catalogues of Christian music.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Song Solutions (Daybreak) saw growth again in its catalogue of songs where the charity owns the copyright, and this includes a large selection of children's songs which are used in school assemblies.

New methods and technology are likely to enable further revenue growth as songs are used more widely. The charity has signed the pan-European agreement through PRS which enables it to collect royalties directly from European countries, and expects to do the same for Asia and the Americas when available.

- **Big Start Assemblies**
Inspired by the 'Big Start' at the beginning of each day at Spring Harvest, the charity provides an all-in-one package for collective worship in primary schools. It uses stories from the Bible with videos, music and scripts and was trialed at schools in Sussex and Kent before being launched more widely in March 2018. Schools across the country renew their subscriptions of this valuable resource year-on-year. Discussions with dioceses and trusts continue. There are 124 assemblies available, and work continues to promote and market Big Start Assemblies to teachers, head teachers and schools.

(3) Grants and Grantmaking

Funds for grantmaking come from the generosity of guests at the Spring Harvest events who support the annual appeals, from guests at Spring Harvest Holidays and from donations received specifically for Hope Lebedyn. Details of restricted funds and grants are given in Notes 15 and 19 to the financial statements. Organisations receiving grants are asked to submit written or video reports on the use of the funds within a year.

- **Spring Harvest**
The charity's policy is to channel funds available from the tithe of the Spring Harvest Offering to one or more organisations which have projects relevant to the teaching theme for the year. The focus of Spring Harvest 2022 was on helping the Church to restore, renew and rebuild after the pandemic. Guests were invited to submit proposals for seed funding to do this in their communities. Among those selected were a project to run a community play group, another to run Messy Church for children with additional needs, and one to help people with low mood and loneliness.

Gifts given through the Partnership Scheme and from the portion of the (unrestricted) offering after the tithe support Essential Christian and Spring Harvest, including the 'Everyone In' fund. This helped over 500 people with discounts and bursaries so that individuals and families on low incomes could come to Spring Harvest.

- **Spring Harvest Holidays**
Money given by guests at Spring Harvest Holidays is distributed via Spring Harvest Holidays Ltd to organisations in France, and to provide bursary support to some families and individuals.
- **Hope Lebedyn**
Over the year funds were raised separately for Hope Lebedyn, in order to send support on a regular basis to a mission centre and church in Lebedyn, Ukraine. Following the Russian invasion of Ukraine in February 2022, an appeal was launched for additional funds to provide church-led relief and redevelopment. As a result of this, income for the year grew to £339,000. Grants totalled £91,000. The balance will be carried forward to fund needs as they arise and to reconstruct when it is safe to do so.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

In the period from October to February activities took place as usual. The team continued to provide training, aid and Christian education for the community. Many children attended the camps at the end of 2021, using the new activity centre.

Whilst the town was not invaded, there was bomb damage, there were frequent sirens and roads were dangerous. The centre's activities continued with regular activities and summer camps as far as possible. Grants were increased to enable the church to do more. Food, clothing and other supplies were sourced, sometimes by purchase, sometimes at no cost, to help those in need. Over 100 tons of aid and 2,000 Bibles were given out. Help was provided to people in distress in care homes and in orphanages, and to others who arrived in the town from elsewhere. The church grew, partly with displaced people but also with many converts as people sought God and put their hope in eternal things.

Because of the sums involved and the increased work being done, the Board agreed that Hope Lebedyn should become a separate charity with its own trustees, who would be able to give more detailed oversight to its work. The process was begun during the year and the new charity, number 1201618, was registered in January 2023.

Financial Review

The charity's main sources of income are from its charitable activities and from donations.

Conferences and Events income increased by £2.4 million from £410,000 the previous year to £2.8 million in 2021-22 because it was possible to run events again as confidence returned, post-Covid, in the second half of the period. Costs also rose from £1.8m to £3.6m, reflecting the work done, but rose by a smaller figure than the income. Whilst this was much better than the previous year, costs still exceeded income, with the difference covered by donations.

Ministry Resources income also rose but by the smaller amount of £75,000 to £1.6m. Costs decreased by £33,000 and more closely matched income, exceeded it by £5,000, which was also a better result than the previous year. Song Solutions income increased again, reflecting increased use of its songs and more online church gatherings.

Donations are very important to the charity. The Board and staff are grateful to Spring Harvest guests who gave to the Offering and to supporters who gave regularly through the year. Together they donated over £320,000 in the year and they make a significant contribution to maintaining Spring Harvest into the future. The Board is also grateful for a special donation of £400,000.

Overall, income increased by 60% from £3.5 million in 2020-21 to £5.6 million in 2021-22. Expenditure also increased, by only 43%, from £3.7 million to £5.3 million. The result for the year was a surplus of £312,000.

Of the funds carried forward, £291,000 was for Hope Lebedyn, following the success of the special appeal. It is expected that this will be paid out in 2023-24.

The Board regularly considers the charity's activities and its future, and explores new ways of working and increasing sources of income in order to maintain its ministry. Cash flow is uneven during the year, and there is a need for loans which builds through the year until March/April, when Spring Harvest revenues are usually received. With the financial support of a corporate backer who has provided substantial cash flow assistance, the trustees have been satisfied that the Charity can operate on a sound financial footing.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Reserves Policy

The Board considered the charity's requirement for reserves. It is mindful of the risks facing the organisation and the need for reserves.

There were no freely available reserves (which excludes fixed assets, restricted funds and minority interests) at the year end. The charity was able to meet its obligations because of a loan facility made available to the charity, and a facility is in place which is sufficient to cover anticipated financial needs for at least the next 12 months.

Fundraising Policy

In line with the reporting requirements included in the Charities Act 2016, the Trustees confirm that all fundraising is carried out in compliance with best fundraising practice. The main request for funds is made during the Spring Harvest event. The purposes are clearly described.

Separate fundraising was undertaken for the Hope Lebedyn activity. This was largely through grant applications to sympathetic charitable trusts and making requests to existing donors.

The charity is registered with the Fundraising Regulator and follows the Code of Fundraising Practice. During the year no professional fundraisers were employed. Few appeals were made by email or letter and none by telephone so vulnerable people were protected from intrusive requests. A complaints procedure is set out as part of the Privacy Policy on the website and states that every effort will be made to resolve complaints within 10 days. No complaints or criticisms were raised concerning the fundraising activities. The charity is also registered with the Fundraising Preference Service. No requests for action were received from this service.

2023 and Beyond

The Board continues to believe that the charity's activities are a valuable resource for the Church, yet is also aware that it needs to change its funding model and develop the ways its resources can be accessed. The Board aims to:

- maintain and develop Spring Harvest as an annual event and as a means to equip the Church for action all year round, and especially to resource small and medium-sized churches.
- develop the EC-GO and Essential Christian Songs websites as new content is added, so that individuals have easy and low-cost access to a very wide range of resources.
- provide an immersive digital presence 365 days and 24/7, serving Christians across Europe.
- engage more with songwriters to create new songs for the Church.
- grow revenue in song publishing and online events, to become best in class, embracing new technologies.
- develop the Partnership scheme to provide increasing gift income, seek new donors to support the ministry, and find new sources of revenue through sponsorships or advertising.
- expand its work assisting other organisations in running their events, both physical and online.
- work in partnership with others where possible.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Other information

Disabled employees

The company has procedures in place regarding the employment of disabled staff to ensure that no current or potential member of staff is disadvantaged due to disability and that all staff have equal access to training, career development and promotion.

Employee consultation

The company acknowledges the importance of staff communications and involving staff in decisions that directly affect them and their work. A number of procedures and activities are in place to support decision-making and communications, including meetings held corporately, departmentally, team based and individually; and staff participation in decision making as it affects terms of employment.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and the incoming resources and application of resources, including the net income or expenditure, of the company for the period.

In preparing those financial statements, the Directors are required to:

- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 company's operations will continue.

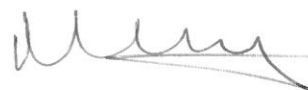
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the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

Disclosure of information to auditors

To the knowledge and belief of the Directors, there is no relevant information that the company's auditors are not aware of, and the Directors have taken all the steps necessary to ensure the Directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Registered office
14 Horsted Square
Uckfield
East Sussex
TN22 1QG

ON BEHALF OF THE
DIRECTORS



M Young
Director

Date: 24 May 2023

ESSENTIAL CHRISTIAN

Opinion

We have audited the financial statements of Essential Christian (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 30 September 2022 and the group's incoming resources and application of resources, including the group income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Material uncertainty related to going concern

The social distancing restrictions had a significant impact on the activities of the organisation that it is still recovering from now. Despite the charity recording a surplus for the current year, the consolidated general funds are still negative by £443,263 and net current liabilities stand at £133,450. We also draw attention to the disclosure made in note 1.2 to the financial statements concerning the charitable company's ability to continue as a going concern. The financial position of the charity represents a material uncertainty which may cast doubt about the charitable company's ability to continue as a going concern. Despite this our opinion detailed above is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial period for which the group financial statements are prepared is consistent with the group financial statements; and
- the directors' 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 group and parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the directors' report.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group 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 group financial statements, the directors are responsible for assessing the group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ESSENTIAL CHRISTIAN (continued)

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

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to reviewing trustees minutes, challenging significant accounting estimates, evaluating the internal controls, agreeing financial statement disclosures to underlying supporting documentation and testing journal entries.

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 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 5 June 2023

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2022

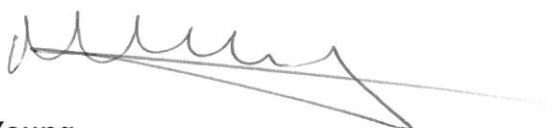
	Note	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £
Income from:							
<i>Donations and legacies</i>		598,564	480,013	1,078,577	1,019,716	341,093	1,360,809
<i>Investments</i>	2	26	-	26	13	-	13
<i>Charitable activities:</i>							
Conferences and Event Ministry		2,829,279	-	2,829,279	410,123	-	410,123
Ministry Resources: Creation, Sales and Royalties	3	1,592,831	-	1,592,831	1,517,297	-	1,517,297
<i>Other sources</i>	4	<u>120,553</u>	<u>-</u>	<u>120,553</u>	<u>229,097</u>	<u>-</u>	<u>229,097</u>
Total income		<u>5,141,253</u>	<u>480,013</u>	<u>5,621,266</u>	<u>3,176,246</u>	<u>341,093</u>	<u>3,517,339</u>
Expenditure on:							
<i>Raising funds</i>	5	38,404	-	38,404	16,735	212	16,947
<i>Charitable activities:</i>							
Grants and Grantmaking		7,793	109,494	117,287	2,165	290,882	293,047
Conferences and Event Ministry		3,340,791	214,902	3,555,693	1,648,649	133,693	1,782,342
Ministry Resources: Creation, Sales and Royalties		<u>1,597,811</u>	<u>-</u>	<u>1,597,811</u>	<u>1,626,204</u>	<u>4,656</u>	<u>1,630,860</u>
Total expenditure		<u>4,984,799</u>	<u>324,396</u>	<u>5,309,195</u>	<u>3,293,753</u>	<u>429,443</u>	<u>3,723,196</u>
Net income/(expenditure) for the year	6	156,454	155,617	312,071	(117,507)	(88,350)	(205,857)
Transfers between funds		<u>10,900</u>	<u>(10,900)</u>	<u>-</u>	<u>(319)</u>	<u>319</u>	<u>-</u>
Net movement of funds		<u>167,354</u>	<u>144,717</u>	<u>312,071</u>	<u>(117,826)</u>	<u>(88,031)</u>	<u>(205,857)</u>
Reconciliation of funds							
Funds brought forward at 1 October 2021		(608,876)	243,855	(365,021)	(493,290)	331,886	(161,404)
Minority interests		<u>(1,741)</u>	<u>-</u>	<u>(1,741)</u>	<u>2,240</u>	<u>-</u>	<u>2,240</u>
Funds carried forward at 30 September 2022		<u>(443,263)</u>	<u>388,572</u>	<u>(54,691)</u>	<u>(608,876)</u>	<u>243,855</u>	<u>(365,021)</u>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing operations.

ESSENTIAL CHRISTIAN**CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2022**

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	8a		64,913		80,084
Intangible assets	9		<u>19,162</u>		<u>-</u>
			84,075		80,084
Current assets					
Stocks	11	24,630		59,499	
Debtors and prepayments	12a	305,236		368,258	
Cash at bank		<u>688,353</u>		<u>392,818</u>	
		1,018,219		820,575	
Creditors: Amounts falling due within one year	13a	<u>(1,151,669)</u>		<u>(1,262,105)</u>	
Net current (liabilities)			(133,450)		(441,530)
Net (liabilities)			<u>(49,375)</u>		<u>(361,446)</u>
Funds					
Unrestricted funds	14a		(443,263)		(608,876)
Restricted funds	15		<u>388,572</u>		<u>243,855</u>
			(54,691)		(365,021)
Minority interests			<u>5,316</u>		<u>3,575</u>
Total funds			<u>(49,375)</u>		<u>(361,446)</u>

These financial statements were approved by the Directors on 24 May 2023 and signed on their behalf by:



M Young
Director

Company number: 06667924

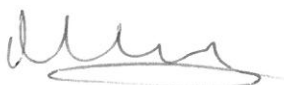
ESSENTIAL CHRISTIAN

COMPANY BALANCE SHEET AS AT 30 SEPTEMBER 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	8b		64,913		80,084
Intangible assets	9		19,162		-
Investments	10		<u>1,128</u>		<u>1,128</u>
			85,203		81,212
Current assets					
Stocks	11	24,630		59,499	
Debtors and prepayments	12b	304,136		367,158	
Cash at bank		<u>576,098</u>		<u>303,557</u>	
		904,864		730,214	
Creditors: Amounts falling due within one year	13b	<u>(1,057,076)</u>		<u>(1,184,702)</u>	
Net current (liabilities)			<u>(152,212)</u>		<u>(454,488)</u>
Net (liabilities)			<u>(67,009)</u>		<u>(373,276)</u>
Funds					
Unrestricted funds	14b		(455,581)		(617,131)
Restricted funds	15		<u>388,572</u>		<u>243,855</u>
Total funds			<u>(67,009)</u>		<u>(373,276)</u>

The company's net income for the year ended 30 September 2022 was £306,267 (2021: net expenditure of £198,391).

These financial statements were approved by the Directors on 24 May 2023 and signed on their behalf by:



M Young
Director

Company number: 06667924

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022		2021	
	£	£	£	£
Net cash provided by operating activities (see below)		520,098		63,564
Cash flows from/(used in) investing activities				
Interest received		26		13
Payments for tangible fixed asset additions	(27,505)		(35,379)	
Payments for intangible fixed asset additions	(22,084)		-	
Proceeds on fixed asset disposals	<u>-</u>		<u>2,292</u>	
Net cash (used in) investing activities		(49,563)		(33,074)
Cash flows from financing activities				
Loans (repaid)/drawn down	(175,000)		<u>-</u>	
Net cash (used in) financing activities		(175,000)		<u>-</u>
Net cash inflow/(outflow)		295,535		30,490
Cash and cash equivalents at 1 October 2021		<u>392,818</u>		<u>362,328</u>
Cash and cash equivalents at 30 September 2022		<u>688,353</u>		<u>392,818</u>

Note: Cash flows from operating activities

Net income/(expenditure) for the year		312,071		(205,857)
Interest receivable included in investing activities	(26)		(13)	
Depreciation	42,676		54,241	
Amortisation	2,922		-	
Loss on sale of fixed assets	-		3,580	
Decrease in stocks	34,869		35,754	
Decrease in debtors	63,022		75,994	
Increase in creditors	<u>64,564</u>		<u>99,865</u>	
Net cash provided by operating activities		<u>520,098</u>		<u>63,564</u>

Analysis in changes on net debt	At 1 October 2021	Cash flows	Other non-	At 30 September 2022
	£	£	cash changes	£
			£	
Cash at bank and in hand	392,818	295,535	-	688,353
Other loans within one year	(750,000)	(225,000)	400,000	(575,000)
Total	<u>(357,182)</u>	<u>70,535</u>	<u>400,000</u>	<u>113,353</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Charity information

Essential Christian is a private company limited by guarantee incorporated in England and Wales. The registered office is 14 Horsted Square, Uckfield, East Sussex TN22 1QG.

1.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2020) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Essential Christian meets the definition of a public benefit entity under FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees continue to look for ways to increase income, to do things differently and to reduce expenditure. After considering all the issues carefully, and with the financial support of a corporate backer who has provided substantial cashflow assistance, the trustees believe that the charity can operate on a sound financial footing for the next 12 months. For this reason the accounts are prepared on a going concern basis.

1.3 Consolidation

The group financial statements combine the results of the company and its subsidiary undertakings, Daybreak Music Limited (dormant), Song Solutions Limited (a holding company for the administration of royalties from Copycare Pacific Pty Ltd) and Copycare Pacific Pty Ltd under the acquisition method. Further details of these subsidiaries is given in note 10.

Essential Christian, Song Solutions Ltd and Daybreak Music Ltd have reporting dates of 30 September. Copycare Pacific Pty Ltd has a reporting date of 30 June but produces figures to 30 September that are incorporated into the consolidated financial statements. A separate Statement of Financial Activities for the charity itself is not presented.

1.4 Income

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the directors' estimated market value at the time of receipt. Income is shown net of VAT and other sales taxes. The Coronavirus Job Retention Scheme grant is recognised in the period to which the underlying furloughed staff costs relate.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

1 Accounting policies (continued)

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including rent of premises, are charged directly to the activity when incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition. Donated assets are included at fair value. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold Land	– not depreciated
Freehold property	– over 10 years
Motor vehicles	– over 4 years
Equipment	– over 4 to 10 years
Computer equipment	– over 3 to 4 years

1.7 Intangible fixed assets and amortisation

Intangible assets acquired separately are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are comprised of website development costs. Such assets are defined as having finite useful lives and the costs are amortised on a straight line basis over their estimated useful life. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website development	– over 4 years
---------------------	----------------

1.8 Fixed asset investments

Fixed asset investments in subsidiary undertakings are shown at cost less impairment because the fair value cannot be measured reliably.

1.9 Stocks

Stock is stated at the lower of cost and realisable value. Work in progress is recognised on 50% of the total cost of masters of recordings produced in the year.

1.10 Debtors and prepayments

Trade debtors and other receivables are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1.11 Cash at bank and in hand

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

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

1 Accounting policies (continued)

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Creditors includes deferred income, which consist of income relating to events to be undertaken in the next year which have been invoiced and/or received before the year end.

1.13 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 Pension scheme arrangements

The pension costs charged represent the amount of the contributions payable in respect of the accounting period.

1.15 Cost of generating funds

This comprises expenditure incurred in the manufacture of goods and provision of services for non-charitable trading purposes and costs attributable to receiving donations.

1.16 Charitable activities expenditure

This comprises expenditure directly related to the objects of the group, including project management and support functions. Support costs are allocated principally on a basis of the proportion of time spent by employees.

1.17 Governance costs

This comprises expenditure to comply with statutory and legal requirements.

1.18 Foreign exchange transactions

Transactions and balances arising from non-UK subsidiaries are recognised at the exchange rate prevailing at the year end.

1.19 Operating lease commitments

Charges under operating leases are incurred in the period to which they relate.

1.20 Fund accounting

Unrestricted funds are expendable at the discretion of the directors in furtherance of the objects of the group.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

		2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
2 Investment income – unrestricted					
Bank interest: United Kingdom		1	-	1	1
Bank interest: Rest of the World		<u>25</u>	<u>-</u>	<u>25</u>	<u>12</u>
		<u>26</u>	<u>-</u>	<u>26</u>	<u>13</u>
3 Ministry Resources: Creation, Sales and Royalties – unrestricted					
Creation, Manufacture and Duplication of Media		6,010	-	6,010	9,975
Product Sales		144,070	-	144,070	149,766
Royalties		<u>1,442,751</u>	<u>-</u>	<u>1,442,751</u>	<u>1,357,556</u>
		<u>1,592,831</u>	<u>-</u>	<u>1,592,831</u>	<u>1,517,297</u>
4 Income from other sources – unrestricted					
Management charges from SHH		120,553	-	120,553	97,244
Coronavirus job retention scheme government grant		<u>-</u>	<u>-</u>	<u>-</u>	<u>131,853</u>
		<u>120,553</u>	<u>-</u>	<u>120,553</u>	<u>229,097</u>
5 Expenditure					
	Note	Direct charitable expenditure £	Support costs £	Total 2022 £	Total 2021 £
Raising funds		30,973	7,431	38,404	16,947
Grants and grantmaking	19	115,952	1,335	117,287	293,047
Conferences and Events		3,309,353	246,340	3,555,693	1,782,342
Ministry Resources		<u>1,542,199</u>	<u>55,612</u>	<u>1,597,811</u>	<u>1,630,860</u>
		<u>4,998,477</u>	<u>310,718</u>	<u>5,309,195</u>	<u>3,723,196</u>
6 Net income/(expenditure) for the year				2022	2021
				£	£
This is stated after charging:					
Staff costs (see note 7.1)				1,144,951	1,364,470
UK auditors' remuneration:					
– for audit services				13,700	13,300
– for non-audit services				6,263	6,857
Depreciation				42,676	54,241
Amortisation				2,922	-
Loss on sale of fixed asset				-	3,580
Operating lease rentals – land and buildings				<u>91,387</u>	<u>98,678</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

7 Employee information

7.1 Staff costs	Group 2022 £	Group 2021 £
Wages and salaries	968,129	1,165,578
Redundancy costs	-	9,683
Social security costs	101,170	107,916
Employer's contribution to defined contribution schemes	<u>75,652</u>	<u>81,293</u>
	1,144,951	1,364,470
Benefits in kind	<u>20,238</u>	<u>21,448</u>
	<u>1,165,189</u>	<u>1,385,918</u>

7.2 Staff numbers	2022 Number	2021 Number
The average monthly number of employees (on a total head count basis excluding non-Executive Directors) during the year was made up as follows:	<u>32.0</u>	<u>39.1</u>
The average monthly number of employees (on a full time equivalent basis excluding non-Executive Directors) during the year was made up as follows:	<u>26.7</u>	<u>33.4</u>

One employee received emoluments (excluding employer pension costs) between an annual equivalent of £80,000 and £90,000 in the year (2021: one between £70,000 and £80,000); plus employer pension costs of £6,930 (2021: £6,778).

7.3 Directors' emoluments

The following salaries were paid to the Executive Directors, as permitted by the Memorandum of Association:

	Salary £	Pension £	NICs £	Benefits in Kind £	Total 2022 £	Total 2021 £
P Martin	<u>5,448</u>	<u>492</u>	<u>115</u>	<u>1,273</u>	<u>7,328</u>	<u>61,590</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes during the year is 1 (2021: 1). Key management personnel remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) totalled £104,782 (2021: £156,468), which was lower than last year as the CEO handover process came to an end.

The following amounts were paid to or for the services of the non-executive Directors, as permitted by the Memorandum of Association under contracts for services:

	2022 £	2021 £
M Young	-	27
T Bright	240	-
D Green	700	-
C Rogers	<u>974</u>	<u>-</u>

Also during the year, total travel expenses of £1,822 (2021: £112) were reimbursed to 7 (2021: 1) directors. Directors' indemnity insurance of £2,838 (2021: £2,838) was paid during the year.

ESSENTIAL CHRISTIANNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)**8a Tangible fixed assets – GROUP**

	Freehold Property £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Plant and Machinery £	Total 2022 £
Cost or valuation						
At 1 October 2021	2,170	282,776	458	25,200	491,831	802,435
Additions in the year	-	11,780	-	-	15,725	27,505
Disposals in the year	-	(107,661)	-	-	(374,860)	(482,521)
At 30 September 2022	<u>2,170</u>	<u>186,895</u>	<u>458</u>	<u>25,200</u>	<u>132,696</u>	<u>347,419</u>
Depreciation						
At 1 October 2021	2,170	234,001	458	23,232	462,490	722,351
Charge for year	-	22,193	-	1,968	18,515	42,676
Released on disposal	-	(107,661)	-	-	(374,860)	(482,521)
At 30 September 2022	<u>2,170</u>	<u>148,533</u>	<u>458</u>	<u>25,200</u>	<u>106,145</u>	<u>282,506</u>
Net book value						
At 30 September 2022	<u>-</u>	<u>38,362</u>	<u>-</u>	<u>-</u>	<u>26,551</u>	<u>64,913</u>
At 30 September 2021	<u>-</u>	<u>48,775</u>	<u>-</u>	<u>1,968</u>	<u>29,341</u>	<u>80,084</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

8b Tangible fixed assets – COMPANY

	Freehold Property £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Plant and Machinery £	Total 2022 £
Cost or valuation						
At 1 October 2021	-	279,673	-	25,200	492,911	797,784
Additions in the year	-	11,780	-	-	15,725	27,505
Disposals in the year	-	(107,661)	-	-	(374,860)	(482,521)
At 30 September 2022	-	<u>183,792</u>	-	<u>25,200</u>	<u>133,776</u>	<u>342,768</u>
Depreciation						
At 1 October 2021	-	230,900	-	23,232	463,568	717,700
Charge for year	-	22,193	-	1,968	18,515	42,676
Released on disposal	-	(107,661)	-	-	(374,860)	(482,521)
At 30 September 2022	-	<u>145,432</u>	-	<u>25,200</u>	<u>107,223</u>	<u>277,855</u>
Net book value						
At 30 September 2022	-	<u>38,360</u>	-	-	<u>26,553</u>	<u>64,913</u>
At 30 September 2021	-	<u>48,773</u>	-	<u>1,968</u>	<u>29,343</u>	<u>80,084</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

9 Intangible fixed assets – GROUP AND COMPANY

	Website costs £	Total £
Cost or valuation		
At 1 October 2021	-	-
Additions in the year	22,084	22,084
Disposals in the year	-	-
At 30 September 2022	<u>22,084</u>	<u>22,084</u>
Amortisation		
At 1 October 2021	-	-
Charge for year	2,922	2,922
Released on disposal	-	-
At 30 September 2022	<u>2,922</u>	<u>2,922</u>
Net book value		
At 30 September 2022	<u>19,162</u>	<u>19,162</u>
At 30 September 2021	<u>-</u>	<u>-</u>

10 Fixed asset investments – COMPANY

	2022 £	2021 £
Shares in subsidiaries - Cost less impairment		
At 1 October 2021	1,128	1,128
Disposals	-	-
At 30 September 2022	<u>1,128</u>	<u>1,128</u>
Historical cost at 30 September 2022	<u>1,128</u>	<u>1,128</u>

Essential Christian owns 100% of the issued share capital of Daybreak Music Ltd (company number 01438805) and Song Solutions Ltd (company number 02714955), which are both companies registered in England and Wales at the same address as Essential Christian. Daybreak Music Ltd had net assets at 30 September 2022 of £1,000 and profit for the year then ended of £nil. Song Solutions Ltd had net assets at 30 September 2022 of £100 and profit for the year then ended of £nil.

Essential Christian also holds a 70% stake in Copycare Pacific Pty Limited, a company registered in Australia, by virtue of its 100% shareholding in its immediate parent company, Song Solutions Ltd. Copycare Pacific Pty Limited had net assets at 30 September 2022 of AUS\$30,526 and profit for the year then ended of AUS\$28,283.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

11 Stocks – GROUP AND COMPANY

	2022 £	2021 £
Goods for resale	23,739	55,754
Work in progress	891	3,745
	<u>24,630</u>	<u>59,499</u>

12a Debtors – GROUP

	2022 £	2021 £
Trade debtors	152,637	213,538
Other debtors including other taxation	33,301	30,157
Prepayments and accrued income	<u>119,298</u>	<u>124,563</u>
	<u>305,236</u>	<u>368,258</u>

12b Debtors – COMPANY

	2022 £	2021 £
Trade debtors	152,637	213,538
Other debtors including other taxation	32,201	29,057
Prepayments and accrued income	<u>119,298</u>	<u>124,563</u>
	<u>304,136</u>	<u>367,158</u>

13a Creditors: Amounts falling due within one year – GROUP

	2022 £	2021 £
Other loans	575,000	750,000
Trade creditors	52,507	82,332
Other creditors including taxation	247,750	155,586
Accruals and deferred income	<u>276,412</u>	<u>274,187</u>
	<u>1,151,669</u>	<u>1,262,105</u>

13b Creditors: Amounts falling due within one year – COMPANY

	2022 £	2021 £
Other loans	575,000	750,000
Trade creditors	52,507	82,332
Other creditors including taxation	153,157	78,183
Accruals and deferred income	<u>276,412</u>	<u>274,187</u>
	<u>1,057,076</u>	<u>1,184,702</u>

The other loans are interest free and repayable on 30 days notice. Such notice is not to be given before 31 May 2023. They are secured via a fixed and floating charge on the assets of the company.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

14a Unrestricted funds – GROUP

	Balance B/F £	Minority interests £	Income £	Expenditure £	Transfers £	Balance C/F £
General funds - 2022	<u>(608,876)</u>	<u>(1,741)</u>	<u>5,141,253</u>	<u>(4,984,799)</u>	<u>10,900</u>	<u>(443,263)</u>
General funds - 2021	<u>(493,290)</u>	<u>2,240</u>	<u>3,176,246</u>	<u>(3,293,753)</u>	<u>(319)</u>	<u>(608,876)</u>

14b Unrestricted funds – COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
General funds - 2022	<u>(617,131)</u>	<u>4,883,624</u>	<u>(4,732,974)</u>	<u>10,900</u>	<u>(455,581)</u>
General funds - 2021	<u>(506,771)</u>	<u>2,981,705</u>	<u>(3,091,746)</u>	<u>(319)</u>	<u>(617,131)</u>

15 Restricted funds – GROUP AND COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
2022					
SH Partnership Fund	-	117,663	(117,663)	-	-
SH North	182,475	-	(91,238)	-	91,237
Seed Fund	-	15,940	(12,500)	-	3,440
SH Youth offering appeal 2022	-	907	(907)	-	-
SH Children's offering appeal 2022	-	1,301	(1,301)	-	-
SH Youth offering appeal 2019	1,866	-	(1,866)	-	-
SH Children's offering appeal 2019	1,927	-	(1,927)	-	-
SHH offerings fund	-	5,132	(5,132)	-	-
SHH offerings fund: Accessibility Fund	2,805	-	(204)	-	2,601
Hope Lebedyn	<u>54,782</u>	<u>339,070</u>	<u>(91,658)</u>	<u>(10,900)</u>	<u>291,294</u>
	<u>243,855</u>	<u>480,013</u>	<u>(324,396)</u>	<u>(10,900)</u>	<u>388,572</u>
2021					
SH Partnership Fund	-	115,509	(115,828)	319	-
SH North	205,223	-	(22,748)	-	182,475
SH Youth offering appeal 2019	1,866	-	-	-	1,866
SH Children's offering appeal 2019	1,927	-	-	-	1,927
SHH offerings fund	-	412	(412)	-	-
SHH offerings fund: Accessibility Fund	2,805	-	-	-	2,805
Hope Lebedyn	119,403	218,179	(282,800)	-	54,782
2019 SH offering tithe	662	-	(662)	-	-
2021 SH offering tithe	-	6,993	(6,993)	-	-
	<u>331,886</u>	<u>341,093</u>	<u>(429,443)</u>	<u>319</u>	<u>243,855</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

15 Restricted funds – GROUP AND COMPANY (continued)

2019 SH offering tithe

This portion of the offering taken at Spring Harvest 2019 was for 24/7 Prayer in its support for a church in the Middle East.

2021 SH offering tithe

This portion of the gifts given during and following Spring Harvest online in 2021 was for the work of Justice and Mercy International, equipping pastors along the Amazon and for their education and libraries fund.

SH Partnership Fund

The Spring Harvest Partnership Fund comprises gifts made specifically in support of and for running the Spring Harvest event.

SH North

This comprised a donation in 2020 to support Spring Harvest in the North.

SH Youth and Children's offering 2019 appeals

These funds were raised in the programmes at Spring Harvest 2019 and both were split equally between 24/7Prayer in its support of a church in the Middle East, and providing for Spring Harvest to be more accessible to people with additional needs or whose families could not afford to come without help. The latter segment was carried forward.

SH Youth and Children's offering 2022 appeals

These funds were raised in the programmes with 50% for Seed Fund projects and 50% for the work of Essential Christian including supporting discounts, bursaries and additional needs.

SHH Offerings fund

These funds were given by Spring Harvest Holidays guests to be used to support projects in France, a bursary scheme to assist people who would not otherwise be able to attend, and couriers who were moving into ministry or training roles.

SHH Offerings fund: Accessibility Fund

The allows for improved facilities for Spring Harvest Holidays guests with disabilities.

Seed Fund

This was a 10% tithe of gifts to the 2022 Spring Harvest offering, to provide seed funding to individuals with a Christian vision to start local projects to restore, renew and rebuild communities.

Hope Lebedyn

This comprises funds given in support of a mission centre and church in Lebedyn, Ukraine, as set out in the Report.

Transfers

A transfer was made from Hope Lebedyn to general funds in respect of a management charge to cover Essential Christian's staff time on work associated with this fund.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

16a Analysis of net assets by fund – GROUP 2022

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	64,913	-	64,913
Intangible fixed assets	19,162	-	19,162
Net current (liabilities)/assets	(522,022)	388,572	(133,450)
Minority interests	(5,316)	-	(5,316)
	<u>(443,263)</u>	<u>388,572</u>	<u>(54,691)</u>

16b Analysis of net assets by fund – COMPANY 2022

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	64,913	-	64,913
Intangible fixed assets	19,162	-	19,162
Investments	1,128	-	1,128
Net current (liabilities)/assets	(540,784)	388,572	(152,212)
	<u>(455,581)</u>	<u>388,572</u>	<u>(67,009)</u>

16c Analysis of net assets by fund – GROUP 2021

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	80,084	-	80,084
Net current (liabilities)/assets	(685,385)	243,855	(441,530)
Minority interests	(3,575)	-	(3,575)
	<u>(608,876)</u>	<u>243,855</u>	<u>(365,021)</u>

16d Analysis of net assets by fund – COMPANY 2021

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	80,084	-	80,084
Investments	1,128	-	1,128
Net current (liabilities)/assets	(698,343)	243,855	(454,488)
	<u>(617,131)</u>	<u>243,855</u>	<u>(373,276)</u>

17 Constitution of the company and status

The governing instrument of the company is its Memorandum and Articles of Association. The company is limited by guarantee, the liability of each member being limited to £1. At 30 September 2022 there were 8 members (2021: 10 members).

The company is registered as a company with number 06667924, registered with the Inland Revenue and is exempt from corporation tax on its charitable activities.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

18 Pension scheme arrangements

The group makes contributions to personal pension plans held by employees. The pension cost charge represents the contributions paid by the group to the funds and amounted to £74,641 (2021: £81,293) for the year.

19 Grants and grantmaking

The following institutional and individual grants were made by the charitable company during the year:

		2022
		£
<i><u>Institutional grants</u></i>		
Sumy Spiritual Revival Centre, Lebedyn	<i>(Hope Lebedyn)</i>	13,738
Epaphras Trust	<i>(Hope Lebedyn)</i>	5,400
Offington Park Methodist Church	<i>(Spring Harvest Seed Fund)</i>	2,000
Ainon Baptist Chapel Bryncoch	<i>(Spring Harvest Seed Fund)</i>	1,000
Kintsugi Hope	<i>(Spring Harvest Seed Fund)</i>	1,000
Holy Trinity Tewkesbury PCC	<i>(Spring Harvest Seed Fund)</i>	1,500
SAS Le Pas Opton	<i>(Spring Harvest Holidays)</i>	<u>204</u>
Total institutional grants		24,842
<i><u>Grants to individuals</u></i>		
EC Hope Lebedyn local church team	<i>(Hope Lebedyn)</i>	72,317
Seed Fund grants total	<i>(Spring Harvest Seed Fund)</i>	<u>7,000</u>
Total of institutional and individual grants		104,159
Grantmaking costs		<u>13,128</u>
Total grants and grantmaking		<u>117,287</u>

20 Financial commitments

The charitable company's total future minimum lease payments under operating leases at 30 September 2022 were payable as set out below:

	2022	2021
	£	£
Within one year	82,040	94,040
Within two to five years	-	94,040
More than five years	-	-
	<u>82,040</u>	<u>188,080</u>

The operating lease charges for the year were:

	2022	2021
	£	£
Land and buildings	87,087	94,040
Hire of plant, machinery and fittings	<u>4,300</u>	<u>4,800</u>
	<u>91,387</u>	<u>98,840</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

21 Related party relationships and transactions

ZipAddress Ltd and AFD Software Ltd are companies controlled by D Dorricott, a director of Essential Christian. During the year interest free loan advances of £550,000 (2021: 500,000) were received by Essential Christian from ZipAddress Limited. There was an opening balance of £750,000 (2021: 750,000). £400,000 (2021: £500,000) was converted to a gift from AFD during the year and 325,000 (2021: £nil) was repaid, leaving a balance of £575,000 (2021: 750,000) at the year end.

During the year £120,553 (2021: £97,244) of income relating to management services was received from Spring Harvest Holidays Ltd, a company registered in England and Wales and owned by ZipAddress Ltd and of which D Dorricott is a mutual director.

During the year £nil (2021: £16) of purchases were made on normal commercial terms from Friends and Heroes Productions Ltd, a company registered in the Isle of Man and owned by ZipAddress Ltd and of which D Dorricott is a mutual director.

During the year £nil (2021: £27) of purchases were made from Lion Hudson Ltd and £113 (2021: £303) sales were made to Lion Hudson Ltd, a company registered in the Isle of Man, and owned by ZipAddress Ltd and of which David Dorricott is a mutual Director.

During the year £8,155 (2021: £243) of sales were made to The Society for the Promotion of Christian Knowledge, incorporated by Royal Charter, for business relating the Lion Hudson imprint where ZipAddress Limited had an interest. £136 (2021: £nil) of purchases were made from The Society for the Promotion of Christian Knowledge.

During the year £5,400 (2021: £2,250) of purchases were made from PCC of All Hallows Bromley by Bow, a charity registered in England and Wales of which Christopher Rogers, a director of Essential Christian, is a trustee.

During the year royalties of £4,112 (2021: £2,181) were paid to Elim Sound, which is a ministry of the Elim Foursquare Gospel Alliance, where Rev Olivia Amartey is Executive Director.

The total amount of donations received from directors during the year restricted for Spring Harvest was £2,690 (2021: £3,840).

The total amount of donations received from directors during the year restricted for Hope Lebedyn was £200 (2021: £3,520) and a further £nil (2021: £12,000) was received from AFD Software Ltd, which is a company registered in the Isle of Man and is controlled by D Dorricott, a director of Essential Christian. Donations of £nil (2021: £14,500) and £nil (2021: £12,350) were received from Peter Martin Charitable Trust and Matthew Twenty five Forty Trust respectively. P Martin, a director of Essential Christian until 31 October 2021, is a trustee of both trusts. Donations of £15,000 were received from The Stuart Hine Trust which is a charity of which Phil Loose, CEO of Essential Christian, is a trustee.

The total remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) to family members of the executive director, before his retirement, was £8,723 (2021: £89,864).

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (continued)

22 Contingent liability

The lease for Unit 13 and 14 Horsted Square is due to expire in October 2023. There is a possible liability in respect of a dilapidations claim in excess of the routine maintenance and decoration required, given the alterations Essential Christian have made, however it is not practicable to identify the possible financial impact.

ESSENTIAL CHRISTIAN

England & Wales - Charity number 1126997

Accounts

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2021**

**Company Number: 06667924
Charity Number: 1126997**

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2021

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ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report together with the audited group financial statements for the year 1 October 2020 to 30 September 2021 which have been prepared in accordance with the current statutory requirements, the company's memorandum and articles of association and the Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

Reference and Administrative Details

<u>Charity Number</u>	1126997
<u>Company Number</u>	06667924
<u>Principal / Registered Office</u>	14 Horsted Square Uckfield East Sussex TN22 1QG
<u>Bankers</u>	Lloyds Bank plc 8 High Street Lewes East Sussex BN7 2AD
<u>Solicitors</u>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
<u>Auditors</u>	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Directors

The directors who held office during the year were as follows:

Non-executive directors

Rev Olivia Amartey	from 5 July 2021
Mr Geoffrey Booker	until 7 December 2021
Ms Tania Bright	
Rt Rev Pete Broadbent	<i>Chair until 6 December 2021</i>
Rev Gavin Calver	until 31 December 2020
Mr David Dorricott	
Ms Elaine Duncan	
Ms Debra Green OBE	from 5 July 2021
Rev Christopher Rogers	from 21 September 2021
Rev Roger Sutton	until 30 November 2020
Mr Martin Young	<i>Chair from 7 December 2021</i>

Executive Vice-Chair

Mr Peter Martin	until 31 October 2021
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Chief Executive

Mr Phil Loose

Ethos

Essential Christian is a Christian organisation. Its reason for existence and ongoing ethos is to serve Jesus Christ and represent Jesus Christ and his teaching to the world. This service is undertaken through delivering the objectives and activities of the Charity for the public benefit.

Objectives and Activities

The object of the charity is to advance the Christian faith throughout the world and to do so principally, but not exclusively by:

- serving the Christian church worldwide;
- enabling the Christian church worldwide;
- informing, inspiring and equipping Christians to live out their Christian faith with biblical integrity, heartfelt unity and cultural relevance; and
- encouraging people to live as disciples of Jesus Christ.

The charity seeks to promote Christian faith and teaching, discipling and evangelism, and to contribute to the quality of life of individuals and families, whether they are currently engaged with the Christian church or on a personal spiritual journey.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

The strategies employed to achieve the company's objectives for the year included:

- the provision of the annual Spring Harvest teaching event as an online event, accessed by people of all ages and from all sections of the community;
- assisting with the delivery of holidays with Christian teaching at a resort in France;
- delivering booking and conference infrastructures for events provided by other organisations;
- producing printed material;
- recording and distributing audio and video teaching material;
- producing and publishing Christian music;
- providing a royalty administration service;
- enabling access to audio, video and written materials through shops and online;
- donations to other Christian work.

Public Benefit

The directors are aware of their responsibility to ensure that the charity provides public benefit. Essential Christian aims to equip and enable the Church and her members through providing events and resources. Accordingly the activities provide spiritual benefit to a large number of people, assist churches to serve their communities, and help schools with collective worship.

Essential Christian:

- promotes the study of and application of the Bible through seminars and addresses at Spring Harvest and Spring Harvest Holidays, and through audio and video recordings both from its own events and other events;
- gives opportunities to engage in corporate prayer and praise, often with a large number of people;
- provides opportunities for families to enjoy time together in a relaxed, teaching setting;
- records and distributes Christian music;
- makes its expertise in conference management available to other organisations;
- produces materials for primary school assemblies.

The charity is committed to making its activities accessible to people with disabilities, and also to providing discounts so that people can attend its events who would otherwise be unable to come. Teaching and music recordings are available at a price which puts them within reach to everyone, regardless of income.

Due to restrictions in place due to the coronavirus pandemic many activities were curtailed and in 2021 the Spring Harvest event ran online only.

Structure, Governance & Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 8 August 2008 and registered as a charity on 28 November 2008. The company is governed by its Memorandum and Articles of Association. There are currently 8 members and Directors of the company.

Board of Directors

The Board carries the legal and financial responsibility for the charity and establishes the vision and mission of the charity while monitoring its activities and policies. The Board met nine times over the year. In addition there is a Finance Committee which consisted of four Board members, the CEO and three other staff members.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Directors have a wide knowledge of the beneficiary and potential beneficiary group served by the company. All Directors are invited to nominate new Directors, having regard to the skills, experience or representation identified as being required at the time. Suggestions may also be sought from others who know the charity well. Full discussion takes place on each of the nominees before an appointment is made.

The Board of Directors is satisfied that both the legal and financial needs of the company are well served by its current professional advisors.

A register of interests is held on the Directors and is updated annually.

Directors' Induction and Training

New Directors often come with extensive experience on the boards of other charities or businesses and are familiar with Essential Christian having participated in one or more of its activities. Most new Directors come with a high level of awareness of the company's objectives, structures and operational activities.

New Directors are supplied with the Memorandum and Articles of Association, current minutes and recent financial reports, and the statement of Beliefs, Purpose and Values. They are also directed to the current Charity Commission publications for new trustees.

Before attending their first Directors' meeting the Chief Executive and/or the Chair will seek to meet the new Director to answer any questions they may have. Where appropriate, additional induction and meetings with other Directors and staff will be provided.

Structure

The charity operates under several brands which distinguish its activities.

- Big Start Assemblies
Growing out of the Big Start programme at Spring Harvest, Big Start Assemblies offers ready-to-use material for Key Stages 1 and 2 primary school assemblies, with presentations, videos, songs and scripts designed to meet Ofsted and SIAMS requirements.
- EC-GO
Launched in 2021, EC-GO is a subscription-based online resource offering thousands of sound and video recordings from Spring Harvest, New Wine, Keswick and other events. It includes new content for homegroups each month.
- Essential Christian
This is the publishing name for resources produced by the charity, including music albums and books. It was also the name for the shop where a wide selection of Christian books and other resources, were available, both on-line and (usually) through retail stands at events. The sales activity became the *Essential Christian Store* in December 2021.
- Essential Christian Songs
Also launched in 2021, this website helps users to find songs that are suited for most Christian occasions, both contemporary songs and traditional hymns. It offers audio recordings, sheet music, chord charts, videos and Powerpoint slides, and has a particularly wide range of all-age songs.
- Essential Event Management
Using the experience built up over many years running Spring Harvest and other events, Essential Event Management makes these skills available to the wider Christian community and beyond, setting up and managing in-person, online and hybrid events, and providing recording services.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

- Hope Lebedyn
Through a link with a mission centre in eastern Ukraine built up over many years, the charity supports the work of the Church there using funds given specifically for this purpose.
- Song Solutions
Song Solutions administers copyrights and royalties on Christian music, both where the copyright is owned by Essential Christian and on behalf of clients in UK and worldwide.
- Spring Harvest
The Spring Harvest event takes place in the Easter school holidays. Whilst it could only be online in 2021, it returned to Butlin's at Minehead and Skegness in 2022.
- Spring Harvest Holidays
Operating as a separate company, Spring Harvest Holidays extends the vision of Spring Harvest into France offering a mix of holiday relaxation and spiritual input at its resort in the Vendée region. Many Spring Harvest speakers give Bible teaching during the season. Essential Christian provides services to Spring Harvest Holidays. During the year two directors of Essential Christian were also directors of Spring Harvest Holidays.

In furtherance of its activities Essential Christian has two wholly-owned subsidiaries: Song Solutions Ltd, which in turn owns Copycare Pacific Pty Ltd, which undertakes copyright administration; and Daybreak Music Ltd, which owns a number of copyrights.

Further details are given in Note 9 to the financial statements.

Management & Staffing

The Chief Executive appointed by the Board is responsible for the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority for operational matters, including day-to-day finance, communications and business development. In addition the Chief Executive is responsible for recruiting the staff team and ensuring that there are the skills and expertise needed to run the charity. The charity is well served by an experienced and motivated senior staff team.

The key management personnel of the charity are the chief executive and directors listed on page 2. All non-executive directors give of their time freely and no director received any remuneration in the year for being a director. Payments are sometimes made for additional services. Details of directors' payments, expenses and related party transactions are disclosed in Notes 7.3 and 20 to the financial statements. The pay of the Chief Executive and other staff is reviewed annually.

The Spring Harvest event programme is devised by a Planning Group, which reports to the Board and which prayerfully considers the event programme and its delivery every year. Except for a few months during a transition in 2021 the Group included at least one Board member, and there are several others who together bring theological and leadership skills. Membership changes periodically so that the group is refreshed from time to time.

Risk Management

The Directors have a risk management strategy which comprises:

- an annual review document showing the risks to the organisation and the control measures to be taken, covering areas of governance, management, activities, premises, IT, finance, litigation and reputation;

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

- consideration of this document by the Board and discussion of those areas of greater risk to identify any measures which can be taken to mitigate the risks; and
- the implementation of procedures designed to minimise where possible the impact on the charity should those risks materialise.

Based on this risk review, the Directors considered the highest risks, and the means by which they may be mitigated, to be:

- A reduction in the number of guests at Spring Harvest physical events leading both to a reduction in delivering its ministry and to a loss of income. This could be because of a commercial decision by the resort owners, the pattern of annual school holidays, coronavirus restrictions or other circumstances outside the charity's control. The move into digital delivery allows more people to engage, but does not deliver the same level of income.
- Donations, which have been particularly needed during the coronavirus pandemic, could be insufficient to sustain the activities. Work is being done to seek sponsorship income and to reach more potential donors.

Achievements and Performance

Essential Christian's activities fall into three broad categories: Conference and Event Ministry, Ministry Resources, and Grant-making.

(1) Conference and Event Ministry

This includes Spring Harvest, Spring Harvest Holidays and activities undertaken by Essential Event Management on behalf of other organisations.

- Spring Harvest

As cases of coronavirus declined in the summer and autumn of 2020, plans were begun to run Spring Harvest as usual at the Butlin's resorts in Minehead and Skegness, and for some one-day local events in northern England. However in January 2021, with cases of coronavirus increasing and England in the third national lockdown, it became clear that physical gatherings would not be possible at Easter. Over the following weeks guests who had booked were refunded in full and preparations made for an online event again.

Spring Harvest Home was delivered over five days in April using a new platform from Essential Event Management called 'CrowdConnect', which brought together live meetings, recordings, programme information, guests' interaction and exhibitors' information all in one place. Live teaching and worship was relayed from a studio in Reading and other sessions were pre-recorded by the leaders. The online-only format meant that leaders from other countries could take part easily.

All of the usual elements were there: Big Start, Bible teaching, Celebrations, After Hours and a wide range of seminars related to the theme for the year, "Unrivalled", which was about how God is the Unrivalled One and what it means to worship Him in all aspects of life. There were over 100 programme items catering for all ages. Youth and children's leaders created programmes for their age groups. On-screen captions were available and some sessions were signed in BSL.

Almost 4,400 tickets were sold or gifted providing the potential for people to watch on over 13,000 devices. It was streamed to 51 countries. Viewers were able to benefit from the sessions beyond the week of the event itself, and programmes were still being viewed on 2,500 devices two weeks after the event. Sessions were later moved to the EC-GO platform, where they remain available.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

There were many positive comments from viewers who appreciated the event and said how it had helped them, for example:-

“Thank you so much for Spring Harvest, it has been a wonderful week and has been a great blessing. I still have things that I want to watch that I haven’t had time to fit in this week. I am so glad it was on line as it would not be possible for me to be there in person.”

“Thank you so much for this week. We were very blessed by the Bible readings in Hebrews. The website was the easiest one I’ve ever used.”

“Thank you ... for your talks at Spring Harvest, especially the one on loss & grief...”

Guests gave nearly £70,000 to the Offering to help with Spring Harvest’s future funding. Of this, a tithe of 10% was sent to Justice and Mercy Amazon as described below.

After Easter, as the country emerged from the restrictions, plans were put in place to run events in 2022 in Minehead, Skegness and Harrogate and it was intended to run some evening events in major towns in the autumn of 2021. As it happened, the return to normality was quite slow and it was not possible to run the event at Harrogate nor the local events.

- Spring Harvest Holidays

In a normal year over 4,500 guests enjoy a week or more at Le Pas Opton in eastern France, where there is a programme of teaching and worship for all ages available for parts of the day in the relaxed atmosphere of the holiday park. It was able to open in 2021, though the pandemic meant that there were many fewer guests. A greater proportion were from France, Holland and elsewhere in continental Europe.

The offices of Spring Harvest Holidays are situated within Essential Christian’s premises and during the course of the year the charity provided administrative and management assistance, the costs of which were reimbursed under a management agreement between the charity and Spring Harvest Holidays Ltd.

- Other Events

Through *Essential Event Management* the charity assisted other agencies to run their events, predominantly online. This included provision of the event platform, technical support, working with them to create the user interface and experience, and providing ticketing and registration facilities.

Organisations assisted included Open Doors, Care For The Family, Fresh Streams, Learning Communities and the Lambeth Conference, for which there were monthly “Bishops’ Conversations”, bringing together bishops from all around the world for online discussions of topical issues within the Anglican Church.

As 2021 progressed there was more interest in physical events, and there has been a shift back to hybrid and physical events.

(2) Ministry Resources

This includes activities undertaken through the Essential Christian, EC-GO and Song Solutions brands in creating audio, video and print media, in making these available to purchase or to stream, and in copyright administration and royalty collection.

- Music and Books

Over the year a small number of albums of Christian music were released appropriate for all ages and in a variety of genres. The number of releases continued to reduce, largely as a consequence of the pandemic which caused events to be cancelled and retail outlets to close.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Books linked to the Spring Harvest theme were published, and work continued with SPCK and authors throughout 2021 towards the publication of further books in 2022.

- Spoken Word

Because there were fewer events, there were fewer recordings of talks and seminars to release; however recordings of Bible expositions and seminars were made available for Spring Harvest in various formats including YouTube and the EC-GO platform.

EC-GO is a new online streaming site for Christian teaching and resources, launched in May 2021 at ecgo.org. The platform is accessed via a subscription account. The content includes teaching from events such as Spring Harvest, New Wine, Keswick Convention, Children's Ministry and more, plus home group resources to help guide group discussions and prayer times.

- Sales

During the year, the *essentialchristian.com* website operated in partnership with Eden.co.uk and carried teaching from events going back many years as well as a range of music, DVDs, Bibles, books, church resources, Christian gifts and sheet music. Orders could be made on-line, by post, or telephone. Sales also took place through Christian bookshops and other online retailers. Online sales transitioned to a new online store, *essentialchristianstore.com*, in December 2021 which is operated with St Andrews Bookshop.

Most music was available worldwide through distribution agreements, and spoken word through the internet.

- Duplication

A low volume of in-house duplication continued. As well as producing discs for Essential Christian, the charity also worked alongside other Christian agencies, such as BMS World Mission, Open Doors, and Care for the Family to produce their resources, and continues to offer this service to strategic partner ministries.

- Copyrights administration

Under Song Solutions (Copycare) Essential Christian administers over 150,000 songs globally from its own office and through franchise partners around the world. This has potential to increase through securing new administration catalogues of Christian music.

Song Solutions (Daybreak) saw growth again in its catalogue of songs where the charity owns the copyright, and this includes a large selection of children's songs which are used in school assemblies.

New methods and technology are likely to enable further revenue growth as songs are used more widely. The charity has signed the pan-European agreement through PRS which enables it to collect royalties directly from European countries, and expects to do the same for Asia and the Americas when available.

The new Essential Christian Songs website helps church leaders and others find songs easily, and also benefits writers and artists whose songs are presented there. Users can search for songs by title, lyrics, theme, writer, Bible references, and by the type of services for which a song could be suitable. Alongside the words there are links to Spotify, Apple Music and YouTube so that users can hear the song, and they can also access sheet music and chord charts.

- Big Start Assemblies

Inspired by the 'Big Start' at the beginning of each day at Spring Harvest, these resources provide an all-in-one package for collective worship in primary schools. There are 124 assemblies which use stories from the Bible with videos, music and scripts.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Work continues to promote and market Big Start Assemblies to teachers, head teachers and schools. During the pandemic, agreement was reached to make the material available free of charge to Church of England schools for 12 months to facilitate them offering worship resources online to their children while pupils were home-schooled, and also giving them a valuable resource for when pupils were able to return to their classrooms.

(3) Grants and Grantmaking

Funds for grantmaking come from the generosity of guests at the Spring Harvest events who support the annual Offering appeals, from guests at Spring Harvest Holidays and from donations received specifically for Hope Lebedyn.

- Restricted Funds

The charity's policy is to channel funds available from the tithe of the Spring Harvest Offering to one or more organisations which have projects relevant to the teaching theme for the year. Most grants are to other UK registered charities. The focus of Spring Harvest 2021 was on what it means to worship God. The tithe was given to Justice and Mercy Amazon, a ministry set up by John Paculabo, who did much to develop songwriters and bring new songs to churches around the world.

Money from the tithe helped towards providing food, medical supplies, health classes and training for local leaders on one of the mission trips to communities along the banks of the Amazon. Other funds, not yet spent due to pausing of some work during the pandemic, will fund library provision in schools.

Funds are usually received from Youth and Children's Offerings; however these offerings were not taken in 2021.

Money given by guests at Spring Harvest Holidays is distributed via Spring Harvest Holidays Ltd to organisations in France, and to provide bursary support to some families and individuals. Due to low guest numbers, there was very little income in 2021.

Funds were raised separately for Hope Lebedyn to send support on a regular basis to a mission centre and church in Lebedyn, Ukraine, as it reached out and provided training, aid and Christian education in its community. Children's and youth activities took place in summer at an outdoor centre run by the church, provided without charge for people both from Lebedyn and further afield. Many people report on these being life-changing for them. The building used for some of the children's and youth activities, an old wooden pavilion, had become dilapidated, and a new building for all-year sports activities, meetings and evangelistic events was completed in 2021. Using funds carried forward from the previous year plus gifts in the current year, £223,000 was spent on the building and £60,000 to support the church and its activities.

Figures and information on restricted funds are given in Notes 14 and 18 to the financial statements.

Organisations receiving grants are asked to submit written reports on the use of the funds within a year. In years when there are significantly high sums given there are often video reports or a monitoring visit in addition.

- Unrestricted Funds

The charity usually provides discounts and bursaries to individuals and families who are on low incomes and would not otherwise be able to come to Spring Harvest. This is from funds given by members of the Partnership Scheme and through the portion of the offering which is used for the charity's ministry. Because Spring Harvest was online and prices much lower than usual, there was very little expenditure in 2021.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Financial Review

The charity's main sources of income are donations and from its charitable activities.

This was the second year when Spring Harvest was online only. Tickets were sold for the online event which pioneered a new funding stream; however the income was not sufficient to cover the costs of planning, preparing and running the event.

Other activities were also affected for a second year. Essential Event Management ran several online events for clients, but both activity levels and revenue were less than in 2020. Because costs were also less, the net result was little different from 2020 but less than in a normal year. Resource sales continued to be affected again by the cancellation of events and the closure of shops, though this was largely offset by careful control of costs.

Song Solutions work in copyright administration, after a disappointing year in 2020, recovered and slightly exceeded its 2019 level as more churches used songs for online services.

Gift income, always important to the charity, was particularly so in 2021. Over 850 regular donors in the Partnership Scheme gave £200,000 over the year and a further £935,000 was given in other donations. The Board is grateful for the gifts of so many people to support the charity. Without such significant donation income the charity would not be able to continue.

As the workload varied through the year, the charity made use of the flexible furlough arrangements. Most staff were furloughed for some time during the year. The charity received £132,000 through the Coronavirus Job Retention Scheme. There were four roles which became redundant in the course of the year in addition to two which had been identified the previous year and the roles ended in this year.

Income for the year totalled £3.5 million, mainly from donations and Song Solutions activities; and expenditure was £3.7 million. The net result was a deficit of £206,000, which included £54,000 for depreciation. Because this was a year of high expenditure for the Hope Lebedyn restricted fund, £64,000 of the sum was because more was expended from this fund than was received during the year, the balance being paid from the amount carried forward into the year.

The Board regularly considers the charity's activities and its future, and explores new ways of working and increasing sources of income in order to maintain its ministry. Cash flow is uneven during the year, and there is a need for loans which builds through the year until March/April, when Spring Harvest revenues are usually received. With the financial support of a corporate backer who has provided substantial cash flow assistance, the trustees have been satisfied that the Charity could operate on a sound financial footing.

Reserves Policy

The Board considered the charity's requirement for reserves. It is mindful of the risks facing the organisation and the need for reserves.

There were no freely available reserves (which excludes fixed assets, restricted funds and minority interests) at the year end. The charity was able to meet its obligations because of a loan facility made available to the charity, and a facility is in place which is sufficient to cover anticipated financial needs for at least the next 12 months.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Fundraising Policy

In line with the reporting requirements included in the Charities Act 2016, the Trustees confirm that all fundraising is carried out in compliance with best fundraising practice. The main request for funds is made during the Spring Harvest event. The purposes are clearly described.

Separate fundraising is undertaken for the Hope Lebedyn activity. This is largely through grant applications to sympathetic charitable trusts and making requests to existing donors.

The charity is registered with the Fundraising Regulator and follows the Code of Fundraising Practice. During the year no professional fundraisers were employed. Few appeals were made by email or letter and none by telephone so vulnerable people were protected from intrusive requests. A complaints procedure is set out as part of the Privacy Policy on the website and states that every effort will be made to resolve complaints within 10 days. No complaints or criticisms were raised concerning the fundraising activities. The charity is also registered with the Fundraising Preference Service. No requests for action were received from this service.

2022 and Beyond

Much of the charity's normal work was reduced due to the coronavirus restrictions which continued into 2022. The Board took the decision to run Spring Harvest at Minehead and Skegness at Easter 2022, and the events went ahead there and online. This is likely to be the pattern for the future. Some events due to be serviced by Essential Events Management were cancelled or switched to online, and more are likely to go ahead as normality returns.

Through Hope Lebedyn the charity has been able to channel funds to a part of Ukraine badly affected by the Russian invasion in February 2022 and has increased its fundraising to resource church-led relief work.

The Board continues to believe that the charity's activities are a valuable resource for the Church, yet is also aware that it needs to change its funding model and develop the ways its resources can be accessed. The Board aims to:

- maintain and develop *Spring Harvest* as an annual event and as a means to equip the Church for action all year round, and to especially resource small and medium-sized churches.
- develop the new EC-GO and Essential Christian Songs websites as new content is added, so that individuals have easy and low-cost access to a very wide range of resources.
- provide an immersive digital presence 365 days and 24/7, serving Christians across Europe.
- grow revenue in song publishing and online events, to become best in class, embracing new technologies.
- develop the Partnership scheme to provide increasing gift income, seek new donors to support the ministry, and find new sources of revenue through sponsorships or advertising.
- provide first-class support to the office of the Archbishop of Canterbury as Essential Event Management works to deliver the Lambeth Conference for 700 bishops from all over the world in summer 2022.
- expand its work assisting other organisations in running their events, both physical and online.
- work in partnership with others where possible.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Other information

Disabled employees

The company has procedures in place regarding the employment of disabled staff to ensure that no current or potential member of staff is disadvantaged due to disability and that all staff have equal access to training, career development and promotion.

Employee consultation

The company acknowledges the importance of staff communications and involving staff in decisions that directly affect them and their work. A number of procedures and activities are in place to support decision-making and communications, including meetings held corporately, departmentally, team based and individually; and staff participation in decision making as it affects terms of employment.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and the incoming resources and application of resources, including the net income or expenditure, of the company for the period.

In preparing those financial statements, the Directors are required to:

- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 company's operations will continue.

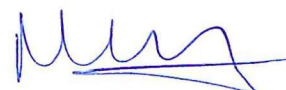
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the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

Disclosure of information to auditors

To the knowledge and belief of the Directors, there is no relevant information that the company's auditors are not aware of, and the Directors have taken all the steps necessary to ensure the Directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Registered office
14 Horsted Square
Uckfield
East Sussex
TN22 1QG

ON BEHALF OF THE
DIRECTORS



M Young
Director

Date: 15 June 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ESSENTIAL CHRISTIAN

Opinion

We have audited the financial statements of Essential Christian (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 30 September 2021 and the group's incoming resources and application of resources, including the group income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Material uncertainty related to going concern

We draw attention to the disclosure made in note 1.2 to the financial statements concerning the charitable company's ability to continue as a going concern. This highlights the impact the social distancing restrictions have had on the activities of the organisation. This combined with the consolidated net current liabilities of £441,530 indicate the existence of a material uncertainty which may cast significant doubt about the charitable company's ability to continue as a going concern. Despite this our opinion detailed above is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ESSENTIAL CHRISTIAN (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial period for which the group financial statements are prepared is consistent with the group financial statements; and
- the directors' 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 group and parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the directors' report.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group 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 group financial statements, the directors are responsible for assessing the group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ESSENTIAL CHRISTIAN (continued)

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

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items, correct claiming of government assistance (furlough income) and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to reviewing trustees minutes, challenging significant accounting estimates, evaluating the internal controls, agreeing financial statement disclosures to underlying supporting documentation, testing the calculation of claims made under the Coronavirus Job Retention Scheme and identifying and testing journal entries.

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 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 20 June 2022

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £
Income from:							
<i>Donations and legacies</i>		1,019,716	341,093	1,360,809	1,460,648	320,375	1,781,023
<i>Other trading activities:</i>							
Confidence consultancy services		-	-	-	6,300	-	6,300
<i>Investments</i>	2	13	-	13	150	-	150
<i>Charitable activities:</i>							
Conferences and Event Ministry		410,123	-	410,123	384,743	-	384,743
Ministry Resources: Creation, Sales and Royalties	3	1,517,297	-	1,517,297	1,334,440	-	1,334,440
Other sources	4	<u>229,097</u>	-	<u>229,097</u>	<u>253,793</u>	-	<u>253,793</u>
Total income		<u>3,176,246</u>	<u>341,093</u>	<u>3,517,339</u>	<u>3,440,074</u>	<u>320,375</u>	<u>3,760,449</u>
Expenditure on:							
<i>Raising funds</i>		16,735	212	16,947	17,757	5,300	23,057
<i>Charitable activities:</i>							
Grants and Grantmaking		2,165	290,882	293,047	5,956	101,128	107,084
Conferences and Event Ministry		1,648,649	133,693	1,782,342	1,914,509	162,390	2,076,899
Ministry Resources: Creation, Sales and Royalties		<u>1,626,204</u>	<u>4,656</u>	<u>1,630,860</u>	<u>1,538,879</u>	<u>3,235</u>	<u>1,542,114</u>
Total expenditure		<u>3,293,753</u>	<u>429,443</u>	<u>3,723,196</u>	<u>3,477,101</u>	<u>272,053</u>	<u>3,749,154</u>
Net (expenditure)/income for the year	6	(117,507)	(88,350)	(205,857)	(37,027)	48,322	11,295
Transfers between funds		(319)	319	-	-	-	-
Net movement of funds		(117,826)	(88,031)	(205,857)	(37,027)	48,322	11,295
Reconciliation of funds							
Funds brought forward at 1 October 2020		(493,290)	331,886	(161,404)	(453,021)	283,564	(169,457)
Minority interests		<u>2,240</u>	-	<u>2,240</u>	(3,242)	-	(3,242)
Funds carried forward at 30 September 2021		<u>(608,876)</u>	<u>243,855</u>	<u>(365,021)</u>	<u>(493,290)</u>	<u>331,886</u>	<u>(161,404)</u>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing operations.

ESSENTIAL CHRISTIAN

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	8a		80,084		104,818
Current assets					
Stocks	10	59,499		95,253	
Debtors and prepayments	11a	368,258		444,252	
Cash at bank		<u>392,818</u>		<u>362,328</u>	
		820,575		901,833	
Creditors: Amounts falling due within one year	12a	<u>(1,262,105)</u>		<u>(1,162,240)</u>	
Net current (liabilities)			<u>(441,530)</u>		<u>(260,407)</u>
Net (liabilities)			<u>(361,446)</u>		<u>(155,589)</u>
Funds					
Unrestricted funds	13a		(608,876)		(493,290)
Restricted funds	14		<u>243,855</u>		<u>331,886</u>
			<u>(365,021)</u>		<u>(161,404)</u>
Minority interests			<u>3,575</u>		<u>5,815</u>
Total funds			<u>(361,446)</u>		<u>(155,589)</u>

These financial statements were approved by the Directors on 15 June 2022 and signed on their behalf by:



M Young
Director

Company number: 06667924

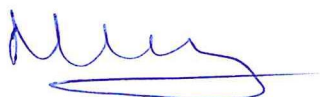
ESSENTIAL CHRISTIAN

COMPANY BALANCE SHEET AS AT 30 SEPTEMBER 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	8b		80,084		104,818
Investments	9		<u>1,128</u>		<u>1,128</u>
			81,212		105,946
Current assets					
Stocks	10	59,499		95,253	
Debtors and prepayments	11b	367,158		443,152	
Cash at bank		<u>303,557</u>		<u>268,219</u>	
		730,214		806,624	
Creditors: Amounts falling due within one year	12b	<u>(1,184,702)</u>		<u>(1,087,455)</u>	
Net current (liabilities)			<u>(454,448)</u>		<u>(280,831)</u>
Net (liabilities)			<u>(373,276)</u>		<u>(174,885)</u>
Funds					
Unrestricted funds	13b		(617,131)		(506,771)
Restricted funds	14		<u>243,855</u>		<u>331,886</u>
Total funds			<u>(373,276)</u>		<u>(174,885)</u>

The company's net expenditure for the year ended 30 September 2021 was £198,391 (2020: net income of £489).

These financial statements were approved by the Directors on 15 June 2022 and signed on their behalf by:



M Young
Director

Company number: 06667924

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021		2020	
	£	£	£	£
Net cash provided by/(used in) operating activities (see below)		63,564		(295,607)
Cash flows from/(used in) investing activities				
Interest received		13		150
Payments for fixed asset additions	(35,379)		(64,448)	
Proceeds on fixed asset disposals	<u>2,292</u>		<u>3,514</u>	
Net cash (used in) investing activities		(33,074)		(60,784)
Cash flows from financing activities				
Loans (repaid)/drawn down	<u>-</u>		<u>(79,136)</u>	
Net cash (used in) financing activities		<u>-</u>		<u>(79,136)</u>
Net cash inflow/(outflow)		30,490		(435,527)
Cash and cash equivalents at 1 October 2020		<u>362,328</u>		<u>797,855</u>
Cash and cash equivalents at 30 September 2021		<u>392,818</u>		<u>362,328</u>

Note: Cash flows from/(used in) operating activities

Net (expenditure)/income for the year		(205,857)		11,295
Interest receivable included in investing activities	(13)		(150)	
Depreciation	54,241		57,427	
Gain on sale of fixed assets	3,580		(3,538)	
Decrease in stocks	35,754		31,183	
Decrease/(increase) in debtors	75,994		(156,599)	
Increase/(decrease) in creditors	<u>99,865</u>		<u>(235,225)</u>	
Net cash provided by/(used in) operating activities		<u>63,564</u>		<u>(295,607)</u>

Analysis in changes on net debt	At 1 October 2020	Cash flows	Other non- cash changes	At 30 September 2021
	£	£	£	£
Cash at bank and in hand	362,328	30,490	-	392,818
Other loans within one year	<u>(750,000)</u>	<u>(500,000)</u>	<u>500,000</u>	<u>(750,000)</u>
Total	<u>(387,672)</u>	<u>(469,510)</u>	<u>500,000</u>	<u>(357,182)</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Charity information

Essential Christian is a private company limited by guarantee incorporated in England and Wales. The registered office is 14 Horsted Square, Uckfield, East Sussex TN22 1QG.

1.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2020) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Essential Christian meets the definition of a public benefit entity under FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity faced a serious shortfall in income for a second year when it became clear that the Spring Harvest 2021 event could not go ahead as planned because of the coronavirus pandemic. With income from usual activities much curtailed, and with generous gifts together with savings on usual expenditure, there was still a significant deficit, with the charity reliant on loans to support its operations.

The trustees continue to look for ways to increase income, to do things differently and to reduce expenditure. After considering all the issues carefully, and with the financial support of a corporate backer who has provided substantial cashflow assistance, the trustees believe that the charity can operate on a sound financial footing for the next 12 months. For this reason the accounts are prepared on a going concern basis.

1.3 Consolidation

The group financial statements combine the results of the company and its subsidiary undertakings, Daybreak Music Limited (dormant), Song Solutions Limited (a holding company for the administration of royalties from Copycare Pacific Pty Ltd) and Copycare Pacific Pty Ltd under the acquisition method. Further details of these subsidiaries is given in note 9.

Essential Christian, Song Solutions Ltd and Daybreak Music Ltd have reporting dates of 30 September. Copycare Pacific Pty Ltd has a reporting date of 30 June but produces figures to 30 September that are incorporated into the consolidated financial statements. A separate Statement of Financial Activities for the charity itself is not presented.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

1 Accounting policies (continued)

1.4 Income

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the directors' estimated market value at the time of receipt. Income is shown net of VAT and other sales taxes. The Coronavirus Job Retention Scheme grant is recognised in the period to which the underlying furloughed staff costs relate.

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including rent of premises, are charged directly to the activity when incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition. Donated assets are included at fair value. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold Land	– not depreciated
Freehold property	– over 10 years
Motor vehicles	– over 4 years
Equipment	– over 4 to 10 years
Computer equipment	– over 3 years

1.7 Fixed asset investments

Fixed asset investments in subsidiary undertakings are shown at cost less impairment because the fair value cannot be measured reliably.

1.8 Stocks

Stock is stated at the lower of cost and realisable value. Work in progress is recognised on 50% of the total cost of masters of recordings produced in the year.

1.9 Debtors and prepayments

Trade debtors and other receivables are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1.10 Cash at bank and in hand

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

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

1 Accounting policies (continued)

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Creditors includes deferred income, which consist of income relating to events to be undertaken in the next year which have been invoiced and/or received before the year end.

1.12 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Pension scheme arrangements

The pension costs charged represent the amount of the contributions payable in respect of the accounting period.

1.14 Cost of generating funds

This comprises expenditure incurred in the manufacture of goods and provision of services for non-charitable trading purposes and costs attributable to receiving donations.

1.15 Charitable activities expenditure

This comprises expenditure directly related to the objects of the group, including project management and support functions. Support costs are allocated principally on a basis of the proportion of time spent by employees.

1.16 Governance costs

This comprises expenditure to comply with statutory and legal requirements.

1.17 Foreign exchange transactions

Transactions and balances arising from non-UK subsidiaries are recognised at the exchange rate prevailing at the year end.

1.18 Operating lease commitments

Charges under operating leases are incurred in the period to which they relate.

1.19 Fund accounting

Unrestricted funds are expendable at the discretion of the directors in furtherance of the objects of the group.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £		
2 Investment income – unrestricted						
Bank interest: United Kingdom	1	-	1	75		
Bank interest: Rest of the World	<u>12</u>	<u>-</u>	<u>12</u>	<u>75</u>		
	<u>13</u>	<u>-</u>	<u>13</u>	<u>150</u>		
3 Ministry Resources: Creation, Sales and Royalties – unrestricted						
Creation, Manufacture and Duplication of Media	9,975	-	9,975	20,312		
Product Sales	149,766	-	149,766	146,354		
Royalties	<u>1,357,556</u>	<u>-</u>	<u>1,357,556</u>	<u>1,167,774</u>		
	<u>1,517,297</u>	<u>-</u>	<u>1,517,297</u>	<u>1,334,440</u>		
4 Income from other sources – unrestricted						
Management charges from SHH	97,244	-	97,244	123,000		
Coronavirus job retention scheme government grant	<u>131,853</u>	<u>-</u>	<u>131,853</u>	<u>130,793</u>		
	<u>229,097</u>	<u>-</u>	<u>229,097</u>	<u>253,793</u>		
5 Expenditure						
	Note	Direct charitable expenditure £	Other trading activities £	Support costs £	Total 2021 £	Total 2020 £
Raising funds		12,240	-	4,707	16,947	23,057
Grants and grantmaking 18		292,704	-	343	293,047	107,084
Conferences and Events		1,399,137	-	383,205	1,782,342	2,076,899
Ministry Resources		<u>1,520,054</u>	<u>-</u>	<u>110,806</u>	<u>1,630,860</u>	<u>1,542,114</u>
		<u>3,224,135</u>	<u>-</u>	<u>499,061</u>	<u>3,723,196</u>	<u>3,749,154</u>
6 Net (expenditure)/income for the year					2021 £	2020 £
This is stated after charging:						
Staff costs (see note 7.1)					1,364,470	1,377,981
UK auditors' remuneration:						
– for audit services					13,300	13,200
– for non-audit services					6,857	3,488
Depreciation					54,241	57,427
(Gain) on sale of fixed asset					3,580	(3,538)
Operating lease rentals – land and buildings					<u>98,678</u>	<u>98,840</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

7 Employee information

7.1 Staff costs	Group 2021 £	Group 2020 £
Wages and salaries	1,165,578	1,183,414
Redundancy costs	9,683	9,159
Social security costs	107,916	105,753
Employer's contribution to defined contribution schemes	<u>81,293</u>	<u>79,655</u>
	1,364,470	1,377,981
Benefits in kind	<u>21,448</u>	<u>26,626</u>
	<u>1,385,918</u>	<u>1,404,607</u>

The redundancy payments were made in relation to six staff posts which were no longer required because the work load had changed. Redundancy costs are recognised when there is a legal or constructive obligation arising. No redundancy pay was outstanding at the balance sheet date.

7.2 Staff numbers	2021 Number	2020 Number
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The average monthly number of employees (on a total head count basis excluding non-Executive Directors) during the year was made up as follows:

<u>39.1</u>	<u>44.8</u>
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The average monthly number of employees (on a full time equivalent basis excluding non-Executive Directors) during the year was made up as follows:

<u>33.4</u>	<u>37.5</u>
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One employee received emoluments (excluding employer pension costs) between an annual equivalent of £70,000 and £80,000 in the year (2020: one between £60,000 and £70,000); plus employer pension costs of £6,778 (2020: £5,396).

7.3 Directors' emoluments

The following salaries were paid to the Executive Directors, as permitted by the Memorandum of Association:

	Salary £	Pension £	NICs £	Benefits in Kind £	Total 2021 £	Total 2020 £
P Martin	<u>49,418</u>	<u>4,312</u>	<u>5,271</u>	<u>2,589</u>	<u>61,590</u>	<u>75,831</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes during the year is 1 (2020: 1). Key management personnel remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) totalled £156,468 (2020: £107,001), which increased as part of the CEO handover process.

The following amounts were paid to or for the services of the non-executive Directors, as permitted by the Memorandum of Association under contracts for services:

	2021 £	2020 £
M Young	27	27
G Calver	=	<u>687</u>

Also during the year, total travel expenses of £112 (2020: £1,256) were reimbursed to 1 (2020: 8) director. Directors' indemnity insurance of £2,838 (2020: £2,508) was paid during the year.

ESSENTIAL CHRISTIAN

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)**

8a Tangible fixed assets – GROUP

	Freehold Property £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Plant and Machinery £	Total 2021 £
Cost or valuation						
At 1 October 2020	2,170	255,338	458	61,770	483,890	803,626
Additions in the year	-	27,438	-	-	7,941	35,379
Disposals in the year	-	-	-	(36,570)	-	(36,570)
At 30 September 2021	<u>2,170</u>	<u>282,776</u>	<u>458</u>	<u>25,200</u>	<u>491,831</u>	<u>802,435</u>
Depreciation						
At 1 October 2020	2,170	205,595	458	50,555	440,030	698,808
Charge for year	-	28,406	-	3,375	22,460	54,241
Released on disposal	-	-	-	(30,698)	-	(30,698)
At 30 September 2021	<u>2,170</u>	<u>234,001</u>	<u>458</u>	<u>23,232</u>	<u>462,490</u>	<u>722,351</u>
Net book value						
At 30 September 2021	<u>-</u>	<u>48,775</u>	<u>-</u>	<u>1,968</u>	<u>29,341</u>	<u>80,084</u>
At 1 October 2020	<u>-</u>	<u>49,743</u>	<u>-</u>	<u>11,215</u>	<u>43,860</u>	<u>104,818</u>

ESSENTIAL CHRISTIAN

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)**

8b Tangible fixed assets – COMPANY

	Freehold Property £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Plant and Machinery £	Total 2021 £
Cost or valuation						
At 1 October 2020	-	252,235	-	61,770	484,970	798,975
Additions in the year	-	27,438	-	-	7,941	35,379
Disposals in the year	-	-	-	(36,570)	-	(36,570)
At 30 September 2021	-	<u>279,673</u>	-	<u>25,200</u>	<u>492,911</u>	<u>797,784</u>
Depreciation						
At 1 October 2020	-	202,494	-	50,555	441,108	694,157
Charge for year	-	28,406	-	3,375	22,460	54,241
Released on disposal	-	-	-	(30,698)	-	(30,698)
At 30 September 2021	-	<u>230,900</u>	-	<u>23,232</u>	<u>463,568</u>	<u>717,700</u>
Net book value						
At 30 September 2021	-	<u>48,773</u>	-	<u>1,968</u>	<u>29,343</u>	<u>80,084</u>
At 1 October 2020	-	<u>49,741</u>	-	<u>11,215</u>	<u>43,862</u>	<u>104,818</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

9 Fixed asset investments – COMPANY

	2021 £	2020 £
Shares in subsidiaries - Cost less impairment		
At 1 October 2020	1,128	1,128
Disposals	-	-
At 30 September 2021	<u>1,128</u>	<u>1,128</u>
Historical cost at 30 September 2021	<u>1,128</u>	<u>1,128</u>

Essential Christian owns 100% of the issued share capital of Daybreak Music Ltd (company number 01438805) and Song Solutions Ltd (company number 02714955), which are both companies registered in England and Wales at the same address as Essential Christian. Daybreak Music Ltd had net assets at 30 September 2021 of £1,000 and profit for the year then ended of £nil. Song Solutions Ltd had net assets at 30 September 2021 of £100 and profit for the year then ended of £nil.

Essential Christian also holds a 70% stake in Copycare Pacific Pty Limited, a company registered in Australia, by virtue of its 100% shareholding in its immediate parent company, Song Solutions Ltd. Copycare Pacific Pty Limited had net assets at 30 September 2021 of AUS\$22,343 and profit for the year then ended of AUS\$34,545.

10 Stocks – GROUP AND COMPANY

	2021 £	2020 £
Goods for resale	55,754	75,918
Work in progress	<u>3,745</u>	<u>19,335</u>
	<u>59,499</u>	<u>95,253</u>

11a Debtors – GROUP

	2021 £	2020 £
Trade debtors	213,538	211,360
Other debtors including other taxation	30,157	42,801
Prepayments and accrued income	<u>124,563</u>	<u>190,091</u>
	<u>368,258</u>	<u>444,252</u>

11b Debtors – COMPANY

	2021 £	2020 £
Trade debtors	213,538	211,360
Other debtors including other taxation	29,057	41,701
Prepayments and accrued income	<u>124,563</u>	<u>190,091</u>
	<u>367,158</u>	<u>443,152</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

12a Creditors: Amounts falling due within one year – GROUP

	2021 £	2020 £
Other loans	750,000	750,000
Trade creditors	82,332	14,825
Other creditors including taxation	155,586	204,490
Accruals and deferred income	274,187	192,925
	<u>1,262,105</u>	<u>1,162,240</u>

12b Creditors: Amounts falling due within one year – COMPANY

	2021 £	2020 £
Other loans	750,000	750,000
Trade creditors	82,332	14,825
Other creditors including taxation	78,183	129,705
Accruals and deferred income	274,187	192,925
	<u>1,184,702</u>	<u>1,087,455</u>

The other loans are interest free and repayable on 30 days notice. Such notice is not to be given before 30 April 2022. They are secured via a fixed and floating charge on the assets of the company.

13a Unrestricted funds – GROUP

	Balance B/F £	Minority interests £	Income £	Expenditure £	Transfers £	Balance C/F £
General funds - 2021	<u>(493,290)</u>	<u>2,240</u>	<u>3,176,246</u>	<u>(3,293,753)</u>	<u>(319)</u>	<u>(608,876)</u>
General funds - 2020	<u>(453,021)</u>	<u>(3,242)</u>	<u>3,440,074</u>	<u>(3,477,101)</u>	<u>-</u>	<u>(493,290)</u>

13b Unrestricted funds – COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
General funds - 2021	<u>(506,771)</u>	<u>2,981,705</u>	<u>(3,091,746)</u>	<u>(319)</u>	<u>(617,131)</u>
General funds - 2020	<u>(458,938)</u>	<u>3,198,473</u>	<u>(3,246,306)</u>	<u>-</u>	<u>(506,771)</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

14 Restricted funds – GROUP AND COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
2021					
2019 SH offering tithe	662	-	(662)	-	-
2021 SH offering tithe	-	6,993	(6,993)	-	-
SH Partnership Fund	-	115,509	(115,828)	319	-
SH North	205,223	-	(22,748)	-	182,475
SH Youth offering appeal 2019	1,866	-	-	-	1,866
SH Children's offering appeal 2019	1,927	-	-	-	1,927
SHH offerings fund	-	412	(412)	-	-
SHH offerings fund: Accessibility Fund	2,805	-	-	-	2,805
Hope Lebedyn	<u>119,403</u>	<u>218,179</u>	<u>(282,800)</u>	-	<u>54,782</u>
	<u>331,886</u>	<u>341,093</u>	<u>(429,443)</u>	<u>319</u>	<u>243,855</u>
2020					
2019 SH offering tithe	662	-	-	-	662
2020 SH offering tithe	-	69,439	(69,439)	-	-
SH Partnership Fund	-	126,159	(126,159)	-	-
SH North	250,000	-	(44,777)	-	205,223
SH Youth offering appeal 2019	1,866	-	-	-	1,866
SH Children's offering appeal 2019	1,927	-	-	-	1,927
SHH offerings fund	-	1,666	(1,666)	-	-
SHH offerings fund: Accessibility Fund	19,509	-	(16,704)	-	2,805
Hope Lebedyn	<u>9,600</u>	<u>123,111</u>	<u>(13,308)</u>	-	<u>119,403</u>
	<u>283,564</u>	<u>320,375</u>	<u>(272,053)</u>	-	<u>331,886</u>

2019 SH offering tithe

This portion of the offering taken at Spring Harvest 2019 was for 24/7Prayer in its support for a church in the Middle East.

2020 SH offering tithe

This portion of the gifts given during and following Spring Harvest online in 2020 was to train and equip Bible teachers in China and to fund affordable Bibles; and to support mission in Lededyn, Ukraine, and was divided equally between them. The Ukraine sum was moved to the Hope Lebedyn fund.

2021 SH offering tithe

This portion of the gifts given during and following Spring Harvest online in 2021 was for the work of Justice and Mercy Amazon, equipping pastors along the Amazon and for their education and libraries fund, as set out in the Report.

SH Partnership Fund

The Spring Harvest Partnership Fund comprises gifts made specifically in support of and for running the Spring Harvest event.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

14 Restricted funds – GROUP AND COMPANY (continued)

SH North

This comprised a donation in 2019 to support Spring Harvest in the North.

SH Youth and Children's offering 2019 appeals

These funds were raised in the programmes at Spring Harvest 2019 and both were split equally between 24/7Prayer in its support of a church in the Middle East, and providing for Spring Harvest to be more accessible to people with additional needs or whose families could not afford to come without help. The latter segments were carried forward.

SHH Offerings fund

These funds were given by Spring Harvest Holidays guests to be used to support projects in France, a bursary scheme to assist people who would not otherwise be able to attend, and couriers who were moving into ministry or training roles.

SHH Offerings fund: Accessibility Fund

The allows for improved facilities for Spring Harvest Holidays guests with disabilities.

Hope Lebedyn

This comprises funds given in support of a mission centre and church in Lebedyn, Ukraine, as set out in the Report.

Transfers

A transfer was made from unrestricted funds to SH Partnership Fund to clear a deficit that had arisen in this restricted fund.

15a Analysis of net assets by fund – GROUP 2021

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	80,084	-	80,084
Net current (liabilities)/assets	(685,385)	243,855	(441,530)
Minority interests	(3,575)	-	(3,575)
	<u>(608,876)</u>	<u>243,855</u>	<u>(365,021)</u>

15b Analysis of net assets by fund – COMPANY 2021

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	80,084	-	80,084
Investments	1,128	-	1,128
Net current (liabilities)/assets	(698,343)	243,855	(454,488)
	<u>(617,131)</u>	<u>243,855</u>	<u>(373,276)</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

15c Analysis of net assets by fund – GROUP 2020

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	104,818	-	104,818
Net current (liabilities)/assets	(592,293)	331,886	(260,407)
Minority interests	(5,815)	-	(5,815)
	<u>(493,290)</u>	<u>331,886</u>	<u>(161,404)</u>

15d Analysis of net assets by fund – COMPANY 2020

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	104,818	-	104,818
Investments	1,128	-	1,128
Net current (liabilities)/assets	(612,717)	331,886	(280,831)
	<u>(506,771)</u>	<u>331,886</u>	<u>(174,885)</u>

16 Constitution of the company and status

The governing instrument of the company is its Memorandum and Articles of Association. The company is limited by guarantee, the liability of each member being limited to £1. At 30 September 2021 there were 10 members (2020: 9 members).

The company is registered as a company with number 06667924, registered with the Inland Revenue and is exempt from corporation tax on its charitable activities.

17 Pension scheme arrangements

The group makes contributions to personal pension plans held by employees. The pension cost charge represents the contributions paid by the group to the funds and amounted to £81,293 (2020: £79,655) for the year.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

18 Grants and grantmaking

The following institutional and individual grants were made by the charitable company during the year:

	2021 £
<i>Institutional grants</i>	
Sumy Spiritual Revival Centre, Lebedyn	29,323
24/7 Prayer	662
Justice and Mercy Amazon	<u>6,993</u>
Total institutional grants	36,978
<i>Grants to individuals</i>	
EC Hope Lebedyn local church team	248,511
Total grants	285,489
Grantmaking costs	<u>7,558</u>
Total grants and grantmaking	<u>293,047</u>

19 Financial commitments

The charitable company's total future minimum lease payments under operating leases at 30 September 2021 were payable as set out below:

	2021 £	2020 £
Within one year	94,040	94,040
Within two to five years	94,040	188,080
More than five years	-	-
	<u>188,080</u>	<u>282,120</u>

The operating lease charges for the year were:

	2021 £	2020 £
Land and buildings	93,878	94,040
Hire of plant, machinery and fittings	<u>4,800</u>	<u>4,800</u>
	<u>98,678</u>	<u>98,840</u>

20 Related party relationships and transactions

ZipAddress Ltd and AFD Software Ltd are companies controlled by D Dorricott, a director of Essential Christian. During the year interest free loan advances of £500,000 (2020: 1,200,000) were received by Essential Christian from ZipAddress Limited. There was an opening balance of £750,000 (2020: 800,000). £500,000 (2020: £500,000) was converted to a gift from AFD during the year and nil (2020: £750,000) was repaid, leaving a balance of £750,000 (2020: 750,000) at the year end.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

20 Related party relationships and transactions (continued)

During the year £97,244 (2020: £123,000) of sales were made to Spring Harvest Holidays Ltd, a company registered in England and Wales and owned by ZipAddress Ltd and of which D Dorricott is a mutual director.

During the year £16 (2020: £156) of purchases were made on normal commercial terms from Friends and Heroes Productions Ltd, a company registered in the Isle of Man and owned by ZipAddress Ltd and of which D Dorricott is a mutual director.

During the year £nil (2020: £5,745) of purchases were made on normal commercial terms from ZipAddress Ltd, a company registered in the Isle of Man and of which D Dorricott is a mutual director.

During the year £nil (2020: £791) of sales were made to Lion Hudson PLC, a company registered in England and Wales, of which ZipAddress Limited was a secured creditor.

During the year £27 (2020: £nil) of purchases were made from Lion Hudson Ltd and £160 (2020: £nil) sales were made to Lion Hudson Ltd, a company registered in the Isle of Man, and owned by ZipAddress Ltd and of which David Dorricott is a mutual Director.

During the year £243 (2020: nil) of sales were made to The Society for the Promotion of Christian Knowledge, incorporated by Royal Charter, for business relating to the Lion Hudson imprint where ZipAddress Limited had an interest.

During the period that he was a director £1,300 (2020: £5,745) of payments were made to Evangelical Alliance Ltd, a company registered in England and Wales of which G Calver is the Chief Executive, and was a director of Essential Christian until 31 December 2020.

During the year £2,250 (2020: £nil) of purchases were made from PCC of All Hallows Bromley by Bow, a charity registered in England and Wales of which Rev C Rogers, a director of Essential Christian from 21 September 2021, is a trustee.

During the year royalties of £2,181 (2020: £nil) were paid to Elim Sound, which is a ministry of the Elim Foursquare Gospel Alliance, where Rev O Amartey is Executive Director.

The total amount of donations received from directors during the year restricted for Spring Harvest was £3,840 (2020: £2,860).

The total amount of donations received from directors during the year restricted for Hope Lebedyn was £3,520 (2020: £13,100) and a further £12,000 (2020: £nil) was received from AFD Software Ltd, which is a company registered in the Isle of Man and is controlled by D Dorricott, a director of Essential Christian. In addition, donations of £14,500 (2020: £10,000) and £12,350 (2020: £76,923) were received from Martin Charitable Trust and Matthew Twenty five Forty Trust respectively for Hope Lebedyn. P Martin, a director of Essential Christian until 31 October 2021, is a trustee of both trusts.

The total amounts paid to family members of the non-executive directors during the year was £nil (2020: £100). The total remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) to family members of the executive director was £89,864 (2020: £85,039).

ESSENTIAL CHRISTIAN

England & Wales - Charity number 1126997

Accounts

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2020**

**Company Number: 06667924
Charity Number: 1126997**

ESSENTIAL CHRISTIAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2020

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ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report together with the audited group financial statements for the year 1 October 2019 to 30 September 2020 which have been prepared in accordance with the current statutory requirements, the company's memorandum and articles of association and the Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

Reference and Administrative Details

<u>Charity Number</u>	1126997
<u>Company Number</u>	06667924
<u>Principal / Registered Office</u>	14 Horsted Square Uckfield East Sussex TN22 1QG
<u>Bankers</u>	Lloyds Bank plc 8 High Street Lewes East Sussex BN7 2AD
<u>Solicitors</u>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
<u>Auditors</u>	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Directors

The directors who held office during the period were as follows:

Non-executive directors

Mr Geoffrey Booker
Ms Tania Bright
Rt Rev Peter Broadbent *Chair*
Rev Gavin Calver (Resigned on 31 December 2020)
Mr David Dorricott
Ms Elaine Duncan
Rev Roger Sutton (Retired on 30 November 2020)
Mr Martin Young

Executive director

Mr Peter Martin *Chief Executive* (until 31 May 2020; thereafter *Executive Vice-Chair*)

Chief Executive

Mr Phil Loose became Chief Executive on 1 June 2020.

History and Name

Essential Christian (previously called Memralife Group) was formed from the merger of International Christian Communications and Spring Harvest and began activities in January 2009.

Ethos

Essential Christian is a Christian organisation. Its reason for existence and ongoing ethos is to serve Jesus Christ and represent Jesus Christ and his teaching to the world. This service is undertaken through delivering the objectives and activities of the Charity for the public benefit.

Objectives and Activities

The object of the charity is to advance the Christian faith throughout the world and to do so principally, but not exclusively by:

- serving the Christian church worldwide;
- enabling the Christian church worldwide;
- informing, inspiring and equipping Christians to live out their Christian faith with biblical integrity, heartfelt unity and cultural relevance; and
- encouraging people to live as disciples of Jesus Christ.

The charity seeks to promote Christian faith and teaching, discipling and evangelism, and to contribute to the quality of life of individuals and families, whether they are currently engaged with the Christian church or on a personal spiritual journey.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

The strategies employed to achieve the company's objectives for the period included:

- the provision of the annual Spring Harvest teaching event as an online event, available at no charge and accessed by people of all ages and from all sections of the community;
- delivering booking and conference infrastructures for events provided by other organisations;
- producing printed material;
- recording and distributing audio and video teaching material;
- producing and publishing Christian music;
- providing a royalty administration service;
- enabling access to audio, video and written materials through shops at events and online;
- donations to other Christian work.

Public Benefit

The directors are aware of their responsibility to ensure that the charity provides public benefit. Essential Christian aims to equip and enable the Church and her members through providing events and resources. Accordingly the activities provide spiritual benefit to a large number of people, assist churches to serve their communities, and help schools with collective worship.

Essential Christian:

- promotes the study of and application of the Bible through seminars and addresses at Spring Harvest and Spring Harvest Holidays, and through audio and video recordings both from its own events and other events;
- gives opportunities to engage in corporate prayer and praise, often with a large number of people;
- provides opportunities for families to enjoy time together in a relaxed, teaching setting;
- records and distributes Christian music;
- makes its expertise in conference management available to other organisations;
- produces materials for primary school assemblies.

Teaching and music recordings are available at a price which makes them accessible to everyone, regardless of income.

Whilst the coronavirus pandemic meant that some activities were curtailed in 2020, through being online the Spring Harvest event was freely available to everyone.

Structure, Governance & Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 8 August 2008 and registered as a charity on 28 November 2008. The company is governed by its Memorandum and Articles of Association. There are currently 7 members and Directors of the company.

Board of Directors

The Board carries the legal and financial responsibility for the charity and establishes the vision and mission of the charity while monitoring its activities and policies. The Board met 10 times over the period. In addition there is a Finance Committee consisting of four Board members, the CEO and three other staff members.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Directors have a wide knowledge of the beneficiary and potential beneficiary group served by the company. All Directors are invited to nominate new Directors, having regard to the skills, experience or representation identified as being required at the time. Suggestions may also be sought from others who know the charity well. Full discussion takes place on each of the nominees before an appointment is made.

The Board of Directors is satisfied that both the legal and financial needs of the company are well served by its current professional advisors.

A register of interests is held on the Directors and is updated annually.

Directors' Induction and Training

New Directors often come with extensive experience on the boards of other charities or businesses and are familiar with Essential Christian having participated in one or more of its activities. Most new Directors come with a high level of awareness of the company's objectives, structures and operational activities.

New Directors are supplied with the Memorandum and Articles of Association, current minutes and recent financial reports, and the statement of Beliefs, Purpose and Values. They are also directed to the current Charity Commission publications for new trustees.

Before attending their first Directors' meeting the Chief Executive and/or the Chair will seek to meet the new Director to answer any questions they may have. Where appropriate, additional induction and meetings with other Directors and staff will be provided.

Structure

The charity operates under brands to distinguish its activities.

- Big Start Assemblies
Growing out of the Big Start programme at Spring Harvest, Big Start Assemblies offers ready-to-use material for Key Stages 1 and 2 primary school assemblies, with presentations, videos, songs and scripts designed to meet Ofsted and SIAMS requirements.
- Essential Christian
A wide range of Christian resources, including talks from conferences going back many years, are available for sale from the *Essential Christian* shop, both on-line and (usually) through retail stands at events. This is also the publishing name for resources produced by the charity to equip the Church, including CDs, DVDs and books.
- Essential Event Management
Using the experience built up over many years running Spring Harvest and other events, Essential Event Management makes these skills available to the wider Christian community and beyond and also provides recording services.
- Hope Lebedyn
Through a link with a mission centre in eastern Ukraine, the charity supports the work of the Church in an area of extreme poverty using funds given specifically for this purpose.
- Song Solutions
Song Solutions administers copyrights and royalties on Christian music, both where the copyright is owned by Essential Christian and on behalf of clients in UK and worldwide.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

- Spring Harvest
The Spring Harvest main event takes place within the Easter school holidays. Whilst it could only be online in 2020 and 2021, the intention is to return as soon as possible to using the Butlins facilities at Minehead and Skegness, and the Convention Centre in Harrogate. There are also some smaller and events in the course of the year.
- Spring Harvest Holidays
Operating as a separate company, Spring Harvest Holidays extends the vision of Spring Harvest into France offering a mix of holiday relaxation and spiritual input at its resort in the Vendée region. Many Spring Harvest speakers give Bible teaching during the season. Essential Christian provides services to Spring Harvest Holidays. The Executive Vice-Chair of Essential Christian is also a director of Spring Harvest Holidays.

In furtherance of its activities Essential Christian has two wholly-owned subsidiaries: Song Solutions Ltd, which in turn owns Copycare Pacific Pty Ltd, which undertakes copyright administration; and Daybreak Music Ltd, which owns a number of copyrights.

Further details are given in Note 9 to the financial statements.

Management & Staffing

The Chief Executive appointed by the Board is responsible for the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority for operational matters, including day-to-day finance, communications and business development. In addition the Chief Executive is responsible for recruiting the staff team and ensuring that there are the skills and expertise needed to run the charity. The charity is well served by an experienced and motivated senior staff team.

The key management personnel of the charity are the chief executive and directors listed on page 1. All non-executive directors give of their time freely and no director received any remuneration in the year for being a director. Payments are sometimes made for additional services. Details of directors' payments, expenses and related party transactions are disclosed in Notes 7.3 and 20 to the financial statements. The pay of the Chief Executive and other staff is reviewed annually.

The Spring Harvest event programme is devised by a Planning Group, which reports to the Board and which prayerfully considers the event programme and its delivery every year. The Group includes at least one Board member and several others who together bring theological and leadership skills. Membership changes periodically so that the group is refreshed from time to time.

Risk Management

The Directors have a risk management strategy which comprises:-

- an annual review document showing the risks to the organisation and the control measures to be taken, covering areas of governance, management, activities, premises, IT, finance, litigation and reputation;
- consideration of this document by the Board;
- further discussion of those areas where greater risks are identified and the establishment of systems and procedures to mitigate those risks; and
- the implementation of procedures designed to minimise where possible the impact on the charity should those risks materialise.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Based on this risk review, the Directors consider the highest risks, and the means by which they may be mitigated, to be:

- A reduction in the number of guests at Spring Harvest physical events leading both to a reduction in delivering its ministry and to a loss of income. This could be because of a commercial decision by the resort owners, the pattern of annual school holidays, coronavirus restrictions or other circumstances outside the charity's control. The move into digital delivery allows more people to engage, but does not deliver the same level of income.
- The level of donations, which were particularly high in 2020, could be insufficient to sustain the activities. Work is being done to expand the number of donors.

Achievements and Performance

Essential Christian's activities fall into three broad categories: Conference and Event Ministry, Ministry Resources, and Grant-making.

(1) Conferences and Event Ministry

This includes Spring Harvest, Spring Harvest Holidays and activities undertaken by Essential Event Management on behalf of other organisations.

- Spring Harvest

In March 2020, less than three weeks before Spring Harvest was due to begin, it became clear that the events could not go ahead as planned because of the impact of the coronavirus on the country. Nearly all of the preparations were in place: programmes designed, contracts agreed and volunteers recruited. Over the following weeks guests who had booked were refunded in full and preparations made for an online event instead.

Spring Harvest Home was delivered as a free event in the week after Easter, available on YouTube. All of the usual elements were there: Big Start, Bible teaching, Celebrations, After Hours and a wide range of seminars related to the theme for the year, "Unleashed", which asked how can the Church be unleashed to be all that God wants it to be, embodying key features of the early Church in the book of Acts. Many of the speakers and leaders who had expected to come to the event presented their talks as home-produced videos. Worship leaders recorded from home. Youth and children's leaders created programmes for their age groups. On-screen captions were available and some sessions were signed in BSL. Evening celebrations were anchored live from the charity's offices.

During the week viewers logged in using 187,000 separate devices from 96 countries, and by the end of the month this had risen to over 200,000 devices and 97 countries. Guests (viewers) could engage in real time using the YouTube chat feature both with leaders and with other guests. Feedback was overwhelmingly positive. Guests used terms such as 'inspiring', 'impactful' and 'thought-provoking'. They appreciated the wide range of content and commented how the programmes had inspired and helped them during the lockdown because of coronavirus. Many expressing their thanks had engaged with Spring Harvest for the first time. Some had felt they could not afford to come before and appreciated it being free online.

Guests most generously gave £694,000 to the Offering to cover costs and enable Spring Harvest to continue for future years. Of this, a tithe of 10% was split equally between Hope Lebedyn and the Bible Society as described below.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

- Spring Harvest Local

A tour was held in September/October 2019 and again in January/February 2020 with the aim of engaging with church leaders and Spring Harvest guests in their home areas, and introducing the event to new people. During the period since 1 October 2019 it visited eight towns widely spread around England.

- Spring Harvest Holidays

In a normal year over 4,500 guests enjoy their vacation at Le Pas Opton holiday park in France. Whilst this was not possible in 2020, work was done to maintain engagement with guests and to plan for future reopening.

The offices of Spring Harvest Holidays are situated within Essential Christian's premises and during the course of the year the charity provided administrative and management assistance, the costs of which were reimbursed under a management agreement between the charity and Spring Harvest Holidays Ltd.

- Other Events

Through *Essential Event Management* the charity assisted other agencies to run their events. This included technical support, working with them on safety procedures and providing ticketing and registration facilities.

EEM provided hands-on technical support for several Care for the Family tours, and worked on several other conferences until March 2020, when the coronavirus pandemic meant that physical events were no longer possible. Later in the year the charity gave assistance to several Christian agencies to set up their online events. Clients reported that they were well served and they appreciated the expertise brought by the team.

A major project was to provide services for the Lambeth Conference, due to take place in summer 2020. Bookings were taken from bishops around the world until it was postponed, and work was also done on venues and tentage, exhibition, and health and safety management, now in abeyance until it can go ahead.

(2) Ministry Resources

This includes activities undertaken through the Essential Christian and Song Solutions brands in creating audio, video and print media, making these available to purchasers, and in copyright administration and royalty collection.

- Music and Books

Over the year, Essential Christian reduced the number of music albums released, largely as a consequence of the COVID-19 pandemic which caused events to be cancelled and retail outlets to close. The imprint was however able to release some albums of Christian music appropriate for all ages and in a variety of genres, from praise songs for pre-school children to reflective, instrumental albums for meditative worship. Some of the children's albums linked to Christian teaching events so reinforced the educational objectives of the event. Essential Christian also worked with music artists, such as Bob Hartman, Jonathan Veira, Doug Horley, and the New Irish Choir & Orchestra, who reach out to a wider audience for evangelism purposes.

Partnerships continued to develop with organisations including SPCK, Jesus Culture, River Valley Worship, Venture3Media and Care for the Family.

The first books from the new book publishing agreement with SPCK, which were linked to the Spring Harvest theme, were published in 2020 despite the pandemic, and work continued with SPCK and authors throughout 2020 towards the publication of further books in 2021.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

- Spoken Word

Because there were fewer events, there were fewer recordings of talks and seminars to release; however recordings of Bible expositions and seminars were made for Spring Harvest and for other Christian events and conferences including Children's & Family Ministry and Tearfund. These recordings provided a resource for attendees to take teaching home and listen to it again or pass it on to their friends, and for others who were not at the event to access it themselves. Recordings were made available in various formats including YouTube, CD, DVD, USB, MP3 and MP4 format, and were available during or shortly after the end of the event.

- Sales

The *essentialchristian.com* website, which operates in partnership with Eden.co.uk, carries teaching from events going back many years as well as a range of music, DVDs, Bibles, books, church resources and Christian gifts, and includes sheet music available for a low price for use within churches. Orders can be made on-line, by post, or telephone. Sales also took place through Christian bookshops and other online retailers. During the pandemic online sales increased as a result of retail stores being closed.

Most music is available worldwide through distribution agreements; and spoken word through the internet.

- Duplication

A low volume of in-house duplication continued. As well as producing discs for Essential Christian, the charity also worked alongside other Christian agencies, such as BMS World Mission, Open Doors, and Care for the Family to produce their resources, and continues to offer this service to strategic partner ministries.

- Copyrights administration

Under Song Solutions (Copycare) Essential Christian administers over 150,000 songs globally from its own office and through franchise partners around the world. This has potential to increase through securing new administration catalogues of Christian music.

Song Solutions (Daybreak) saw growth again in its catalogue of songs where the charity owns the copyright, and this includes a large selection of children's songs which are used in school assemblies.

New methods and technology are likely to enable further revenue growth as songs are used more widely. The charity has signed the pan-European agreement through PRS which enables it to collect royalties directly from European countries, and expects to do the same for Asia and the Americas when available.

- Big Start Assemblies

Inspired by the 'Big Start' at the beginning of each day at Spring Harvest, this is a project that provides an all-in-one package for collective worship in primary schools. It uses stories from the Bible with videos, music and scripts and has been trialed at schools in Sussex and Kent. It was launched more widely in March 2018, and has seen subscriptions from schools across the country. Discussions with dioceses and trusts continue. There are now 124 assemblies available, and work continues to promote and market Big Start Assemblies to teachers, head teachers and schools. During the pandemic, agreement was reached to make the material available free of charge to Church of England schools for 12 months to facilitate them offering worship resources online to their children whilst pupils were home-schooled, but also giving them a valuable resource for when pupils were able to return en masse.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

(3) Grants and Grantmaking

Funds for grantmaking come from the generosity of guests at the Spring Harvest events who support the annual Offering appeals, from guests at Spring Harvest Holidays and from donations received specifically for Hope Lebedyn.

- Restricted Funds

The charity's policy is to channel funds available from the tithe of the Spring Harvest Offering to one or more organisations which have projects relevant to the teaching theme for the year. Most grants are to other UK registered charities. The focus of Spring Harvest 2020 was on building up the Church. The tithe was split equally between Hope Lebedyn, an activity of the charity described below, and the Bible Society. The latter portion was to train and equip Bible teachers in China and to provide affordable Bibles there.

Funds are usually received from Youth and Children's Offerings; however these offerings were not taken in 2020.

Money given by guests at Spring Harvest Holidays is distributed via Spring Harvest Holidays Ltd to organisations in France, and to provide bursary support to some families and individuals.

Over the year funds are raised separately for Hope Lebedyn to send support on a regular basis to a mission centre and church in Lebedyn, Ukraine, as it reaches out and provides training, aid and Christian education in its community. Children's and youth activities take place in summer and at Christmas at an outdoor centre run by the church. These are provided without charge and cater for people both from Lebedyn and further afield. Many people report on these being life-changing for them. The building used for some of the children's and youth activities, an old wooden pavilion, had become dilapidated. Of the £123,100 income received for Hope Lebedyn shown in Note 14 to the financial statements, £77,700 was given for a replacement building and nearly £35,000 was from the Spring Harvest tithe. The tithe was clearly described to Spring Harvest guests and the other donations were given specifically for Hope Lebedyn.

Figures and information on restricted funds are given in Notes 14 and 18 to the financial statements. This includes money carried forward from previous years.

Organisations receiving grants are asked to submit written reports on the use of the funds within a year. In years when there are significantly high sums given there are often video reports or a monitoring visit in addition.

- Unrestricted Funds

The charity sets aside funding to provide discounts and bursaries to individuals and families who are on low incomes and would not otherwise be able to come to Spring Harvest. This is from funds given by members of the Partnership Scheme and through the portion of the offering which is used for the charity's ministry. However, because Spring Harvest was online and free, there was no expenditure on this in 2020.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Financial Review

The charity's main sources of income are donations and from its charitable activities.

The coronavirus restrictions occurred shortly before the Spring Harvest April 2020 events. They were cancelled at short notice and none of the usual income was received from guests attending. Whilst there were some savings, the costs of planning for a year and some of the contractors' fees paid or due under the contracts could not be recovered. A target of £1.5 million was set to recover the lost revenue. This was reached through the great generosity of many people and savings on expenditure including some fees that could be reclaimed. The Board would like to record its gratitude to the many people who gave in order to reach the target.

Other activities were also affected. Essential Event Management, after a promising start, saw income decline by two-thirds. Work later in the year, helping organisations with their own online events, could not make up for the loss of physical events. Resource sales were reduced by the cancellation of events and the closure of shops, though this was largely offset by careful control of costs. Copyright administration was also down, partly because of fewer events through the year using songs.

Gift income, always important to the charity, was particularly so in 2020. Over 850 regular donors in the Partnership Scheme gave nearly £200,000 over the year and 5,000 people gave over £800,000 either through the Offering or in other ways. The Board is grateful for the support of so many people during the pandemic, and also for a special donation of £500,000.

Reflecting the changed circumstances, many staff were furloughed for part of the year. The charity received £135,000 through the Coronavirus Job Retention Scheme. There were also three roles which became redundant and others where hours were reduced.

The overall result for the year was a surplus of £11,000. Further figures can be found on page 16.

The Board regularly considers the charity's activities and its future, and explores new ways of working and increasing sources of income in order to maintain its ministry. Cash flow is uneven during the year, and there is a need for loans which builds through the year until March/April, when Spring Harvest revenues are usually received. With the financial support of a corporate backer who has provided substantial cash flow assistance, the trustees have been satisfied that the Charity could operate on a sound financial footing.

Reserves Policy

The Board considered the charity's requirement for reserves. It is mindful of the risks facing the organisation and the need for reserves.

There were no freely available reserves (which excludes fixed assets, restricted funds and minority interests) at the year end. The charity was able to meet its obligations because of a loan facility made available to the charity, and a facility is in place which is sufficient to cover anticipated financial needs for at least the next 12 months.

Fundraising Policy

In line with the reporting requirements included in the Charities Act 2016, the Trustees confirm that all fundraising is carried out in compliance with best fundraising practice. The main request for funds is made during the Spring Harvest event. The purposes are clearly described.

Separate fundraising is undertaken for the Hope Lebedyn activity. This is largely through grant applications to sympathetic charitable trusts and making requests to existing donors.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

The charity is registered with the Fundraising Regulator and follows the Code of Fundraising Practice. During the year no professional fundraisers were employed. Few appeals were made by email or letter and none by telephone so vulnerable people were protected from intrusive requests. A complaints procedure is set out as part of the Privacy Policy on the website and states that every effort will be made to resolve complaints within 10 days. No complaints or criticisms were raised concerning the fundraising activities. The charity is also registered with the Fundraising Preference Service. No requests for action were received from this service.

2021 and Beyond

Much of the charity's normal work has been suspended or reduced due to the coronavirus restrictions which continued into 2021. The Spring Harvest event was online again and events due to be serviced by Essential Events Management were cancelled. Considering the factors currently known, the Board believes that it will be possible to hold large-scale events again, possibly with some restrictions, in the second half of 2021 and in 2022. Plans are being made to hold Spring Harvest at its three usual locations and online in 2022. Multiple budgets have been prepared to take account of several possible scenarios. However it is likely that, with the loss of most Spring Harvest income and of other activities in 2021, the charity will have to look to donors for significant support in 2021 if it is to balance income and expenditure.

To position itself for the future, the charity is focusing on digital communications and delivery of its services. The Board continues to believe that the charity's activities are a valuable resource for the Church and aims to:

- maintain and develop the annual *Spring Harvest* event, which is well-known and recognised.
- become a more user-focussed, dynamic and vibrant organisation serving Christians across Europe.
- provide an immersive digital presence 365 days and 24/7.
- enable new specialist conferences, online and in-person.
- grow revenue in song publishing and online events, to become best in class, embracing new technologies.
- develop the Partnership scheme to provide increasing gift income and seek new donors to support the ministry.
- provide resources for individual Christians and the Church, releasing each year some CDs of Christian music and making recordings available of talks from events.
- expand its work assisting other organisations through making the charity's services available to them, in particular (when conditions allow) using the charity's expertise to run or help with events for other organisations. A major piece of work for Essential Event Management will be working with the office of the Archbishop of Canterbury to deliver the Lambeth Conference for 700 bishops from all over the world, now planned for 2022.
- work in partnership with others where possible.

ESSENTIAL CHRISTIAN

REPORT OF THE DIRECTORS (continued)

Other information

Disabled employees

The company has procedures in place regarding the employment of disabled staff to ensure that no current or potential member of staff is disadvantaged due to disability and that all staff have equal access to training, career development and promotion.

Employee consultation

The company acknowledges the importance of staff communications and involving staff in decisions that directly affect them and their work. A number of procedures and activities are in place to support decision-making and communications, including meetings held corporately, departmentally, team based and individually; and staff participation in decision making as it affects terms of employment.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and the incoming resources and application of resources, including the net income or expenditure, of the company for the period.

In preparing those financial statements, the Directors are required to:

- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 company's operations will continue.

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

Disclosure of information to auditors

To the knowledge and belief of the Directors, there is no relevant information that the company's auditors are not aware of, and the Directors have taken all the steps necessary to ensure the Directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Registered office

14 Horsted Square
Uckfield
East Sussex
TN22 1QG

ON BEHALF OF THE
DIRECTORS

Date: 25 May 2021

P Broadbent
Director

ESSENTIAL CHRISTIAN

Opinion

We have audited the financial statements of Essential Christian (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 30 September 2020 and the group's incoming resources and application of resources, including the group income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Material uncertainty related to going concern

We draw attention to the disclosure made in note 1.2 to the financial statements concerning the charitable company's ability to continue as a going concern. This highlights the impact the coronavirus pandemic is having on the activities of the organisation. This combined with the consolidated net current liabilities of £260,407 indicate the existence of a material uncertainty which may cast significant doubt about the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial period for which the group financial statements are prepared is consistent with the group financial statements; and
- the directors' 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 group and parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the directors' report.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group 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 group financial statements, the directors are responsible for assessing the group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

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 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date:

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Unrestricted funds £	2019 Restricted funds £	2019 Total funds £
Income from:							
<i>Donations and legacies</i>		1,460,648	320,375	1,781,023	719,027	479,763	1,198,790
<i>Other trading activities:</i>							
Conference consultancy services		6,300	-	6,300	12,600	-	12,600
<i>Investments</i>	2	150	-	150	229	-	229
<i>Charitable activities:</i>							
Conferences and Event Ministry		384,743	-	384,743	1,896,219	-	1,896,219
Ministry Resources: Creation, Sales and Royalties	3	1,334,440	-	1,334,440	1,702,601	-	1,702,601
<i>Other sources</i>	4	<u>253,793</u>	-	<u>253,793</u>	<u>127,021</u>	-	<u>127,021</u>
Total income		<u>3,440,074</u>	<u>320,375</u>	<u>3,760,449</u>	<u>4,457,697</u>	<u>479,763</u>	<u>4,937,460</u>
Expenditure on:	5						
<i>Raising funds</i>		17,757	5,300	23,057	10,084	3,263	13,347
<i>Charitable activities:</i>							
Grants and Grantmaking		5,956	101,128	107,084	5,869	138,939	144,808
Conferences and Event Ministry		1,914,509	162,390	2,076,899	2,743,095	136,933	2,880,028
Ministry Resources: Creation, Sales and Royalties		<u>1,538,879</u>	<u>3,235</u>	<u>1,542,114</u>	<u>1,751,238</u>	-	<u>1,751,238</u>
Total expenditure		<u>3,477,101</u>	<u>272,053</u>	<u>3,749,154</u>	<u>4,510,286</u>	<u>279,135</u>	<u>4,789,421</u>
Net (expenditure)/income for the period	6	(37,027)	48,322	11,295	(52,589)	200,628	148,039
Transfers between funds		-	-	-	-	-	-
Net movement of funds		(37,027)	48,322	11,295	(52,589)	200,628	148,039
Reconciliation of funds							
Funds brought forward at 1 October 2019		(453,021)	283,564	(169,457)	(400,395)	82,936	(317,459)
Minority interests		(3,242)	-	(3,242)	(37)	-	(37)
Funds carried forward at 30 September 2020		<u>(493,290)</u>	<u>331,886</u>	<u>(161,404)</u>	<u>(453,021)</u>	<u>283,564</u>	<u>(169,457)</u>

The statement of financial activities includes all gains and losses recognised in the period.
All incoming resources and resources expended derive from continuing operations.

ESSENTIAL CHRISTIAN

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2020

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8a		104,818		97,773
Current assets					
Stocks	10	95,253		126,436	
Debtors and prepayments	11a	444,252		287,653	
Cash at bank		<u>362,328</u>		<u>797,855</u>	
		901,833		1,211,944	
Creditors: Amounts falling due within one year	12a	<u>(1,162,240)</u>		<u>(1,476,601)</u>	
Net current (liabilities)			<u>(260,407)</u>		<u>(264,657)</u>
Net (liabilities)			<u>(155,589)</u>		<u>(166,884)</u>
Funds					
Unrestricted funds	13a		(493,290)		(453,021)
Restricted funds	14		<u>331,886</u>		<u>283,564</u>
			(161,404)		(169,457)
Minority interests			<u>5,815</u>		<u>2,573</u>
Total funds			<u>(155,589)</u>		<u>(166,884)</u>

These financial statements were approved by the Directors on 25 May 2021 and signed on their behalf by:

P Broadbent
Director

Company number: 06667924

ESSENTIAL CHRISTIAN

COMPANY BALANCE SHEET AS AT 30 SEPTEMBER 2020

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8b		104,818		97,773
Investments	9		<u>1,128</u>		<u>1,128</u>
			105,946		98,901
Current assets					
Stocks	10	95,253		126,436	
Debtors and prepayments	11b	443,152		286,553	
Cash at bank		<u>268,219</u>		<u>711,844</u>	
		806,624		1,124,833	
Creditors: Amounts falling due within one year	12b	<u>(1,087,455)</u>		<u>(1,399,108)</u>	
Net current (liabilities)			<u>(280,831)</u>		<u>(274,275)</u>
Net (liabilities)			<u>(174,885)</u>		<u>(175,374)</u>
Funds					
Unrestricted funds	13b		(506,771)		(458,938)
Restricted funds	14		<u>331,886</u>		<u>283,564</u>
Total funds			<u>(174,885)</u>		<u>(175,374)</u>

The company's net income for the year ended 30 September 2020 was £489 (2019: net income of £147,915).

These financial statements were approved by the Directors on 25 May 2021 and signed on their behalf by:

P Broadbent
Director

Company number: 06667924

ESSENTIAL CHRISTIAN

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2020

	2020		2019	
	£	£	£	£
Net cash provided by operating activities (see below)		(295,607)		193,401
Cash flows from investing activities				
Interest received	150		229	
Payments for fixed asset additions	(64,448)		(40,799)	
Proceeds on fixed asset disposals	<u>3,514</u>		<u>-</u>	
Net cash (used in) investing activities		(60,784)		(40,570)
Cash flows from financing activities				
Loans (repaid)/drawn down	(<u>79,136</u>)		<u>99,682</u>	
Net cash provided by financing activities		(<u>79,136</u>)		<u>99,682</u>
Net cash inflow		(435,527)		252,513
Cash and cash equivalents at 1 October 2019		<u>797,855</u>		<u>545,342</u>
Cash and cash equivalents at 30 September 2020		<u><u>362,328</u></u>		<u><u>797,855</u></u>

Note: Cash flows from operating activities

Net income for the period	11,295	148,039
Interest receivable included in investing activities	(150)	(229)
Depreciation	57,427	59,249
Gain on sale of fixed assets	(3,538)	-
Decrease/(increase) in stocks	31,183	21,089
(Increase)/decrease in debtors	(156,599)	(4,847)
(Decrease)/increase in creditors	<u>(235,225)</u>	<u>(29,900)</u>
Net cash provided by operating activities	<u>(295,607)</u>	<u>193,401</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Charity information

Essential Christian is a private company limited by guarantee incorporated in England and Wales. The registered office is 14 Horsted Square, Uckfield, East Sussex TN22 1QG.

1.1 Basis of accounting

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

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity faced a serious shortfall in income when it became clear in March 2020 that the Spring Harvest event could not go ahead as planned because of the coronavirus pandemic. Following an online event many individuals gave generously, and this together with some large donations and savings on expenditure made up for the lost income.

The trustees have looked and continue to look for ways to increase income and also, at this time, to reduce expenditure. After considering all the issues carefully, and with the financial support of a corporate backer who has provided substantial cashflow assistance, the trustees believe that the charity can operate on a sound financial footing for the next 12 months. For this reason the accounts are prepared on a going concern basis.

1.3 Consolidation

The group financial statements combine the results of the company and its subsidiary undertakings, Daybreak Music Limited (dormant), Song Solutions Limited (a holding company for the administration of royalties from Copycare Pacific Pty Ltd) and Copycare Pacific Pty Ltd under the acquisition method. Further details of these subsidiaries is given in note 9.

Essential Christian, Song Solutions Ltd and Daybreak Music Ltd and Copycare Pacific Pty Ltd have reporting dates of 30 September. A separate Statement of Financial Activities for the charity itself is not presented.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

1 Accounting policies (continued)

1.4 Income

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the directors' estimated market value at the time of receipt. Income is shown net of VAT and other sales taxes. The Coronavirus Job Retention Scheme grant recognised in the period to which the underlying furloughed staff costs relate.

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including rent of premises, are charged directly to the activity when incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition. Donated assets are included at fair value. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold Land	– not depreciated
Buildings	– over 10 years
Motor vehicles	– over 4 years
Equipment	– over 4 to 10 years
Computer equipment	– over 3 to 4 years

1.7 Fixed asset investments

Fixed asset investments in subsidiary undertakings are shown at cost less impairment because the fair value cannot be measured reliably.

1.8 Stocks

Stock is stated at the lower of cost and realisable value. Work in progress is recognised on 50% of the total cost of masters of recordings produced in the period.

1.9 Debtors and prepayments

Trade debtors and other receivables are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1.10 Cash at bank and in hand

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

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

1 Accounting policies (continued)

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Creditors includes deferred income, which consist of income relating to events to be undertaken in the next year which have been invoiced and/or received before the year end.

1.12 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Pension scheme arrangements

The pension costs charged represent the amount of the contributions payable in respect of the accounting period.

1.14 Cost of generating funds

This comprises expenditure incurred in the manufacture of goods and provision of services for non-charitable trading purposes and costs attributable to receiving donations.

1.15 Charitable activities expenditure

This comprises expenditure directly related to the objects of the group, including project management and support functions. Support costs are allocated principally on a basis of the proportion of time spent by employees.

1.16 Governance costs

This comprises expenditure to comply with statutory and legal requirements.

1.17 Foreign exchange transactions

Transactions and balances arising from non-UK subsidiaries are recognised at the exchange rate prevailing at the period end.

1.18 Operating lease commitments

Charges under operating leases are incurred in the period to which they relate.

1.19 Fund accounting

Unrestricted funds are expendable at the discretion of the directors in furtherance of the objects of the group.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £	
2 Investment income – unrestricted					
Bank interest: United Kingdom	75	-	75	17	
Bank interest: Rest of the World	<u>75</u>	<u>-</u>	<u>75</u>	<u>212</u>	
	<u>150</u>	<u>-</u>	<u>150</u>	<u>229</u>	
3 Ministry Resources: Creation, Sales and Royalties – unrestricted					
Creation, Manufacture and Duplication of Media	20,312	-	20,312	26,087	
Product Sales	146,354	-	146,354	363,630	
Royalties	<u>1,167,774</u>	<u>-</u>	<u>1,167,774</u>	<u>1,312,884</u>	
	<u>1,334,440</u>	<u>-</u>	<u>1,334,440</u>	<u>1,702,601</u>	
4 Income from other sources – unrestricted					
Management charges from SHH	123,000	-	123,000	127,000	
Coronavirus job retention scheme government grant	130,793	-	130,793	-	
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>	
	<u>253,793</u>	<u>-</u>	<u>253,793</u>	<u>127,021</u>	
5 Expenditure					
	Direct charitable expenditure	Other trading activities	Support costs	Total 2020	Total 2019
Note	£	£	£	£	£
Raising funds	19,001	-	4,056	23,057	13,347
Grants and grantmaking 18	106,804	-	280	107,084	144,808
Conferences and Events	1,763,890	-	313,009	2,076,899	2,880,028
Ministry Resources	<u>1,444,039</u>	<u>-</u>	<u>98,075</u>	<u>1,542,114</u>	<u>1,751,238</u>
	<u>3,333,734</u>	<u>-</u>	<u>415,420</u>	<u>3,749,154</u>	<u>4,789,421</u>
6 Net income for the period				2020	2019
				£	£
This is stated after charging:					
Staff costs (see note 7.1)				1,377,981	1,263,495
UK auditors' remuneration:					
– for audit services				13,200	13,200
– for non-audit services				3,488	7,194
Depreciation				57,427	59,249
(Gain) on sale of fixed asset				(3,538)	-
Operating lease rentals – land and buildings				<u>98,840</u>	<u>101,729</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

7 Employee information

7.1 Staff costs	Group 2020 £	Group 2019 £
Wages and salaries	1,183,414	1,088,240
Redundancy costs	9,159	-
Social security costs	105,753	104,133
Employer's contribution to defined contribution schemes	<u>79,655</u>	<u>71,122</u>
	1,377,981	1,263,495
Benefits in kind	<u>26,626</u>	<u>24,077</u>
	<u>1,404,607</u>	<u>1,287,572</u>

The redundancy payment was made in relation to a staff post which was no longer required because the work load had changed. Redundancy costs are recognised when there is a legal or constructive obligation arising. The redundancy pay was outstanding at the balance sheet date, but was settled shortly after.

7.2 Staff numbers	2020 Number	2019 Number
-------------------	----------------	----------------

The average monthly number of employees (on a total head count basis excluding non-Executive Directors) during the period was made up as follows:

<u>44.8</u>	<u>41.8</u>
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The average monthly number of employees (on a full time equivalent basis excluding non-Executive Directors) during the period was made up as follows:

<u>37.5</u>	<u>35.4</u>
-------------	-------------

One employee received emoluments (excluding employer pension costs) between an annual equivalent of £60,000 and £70,000 in the period (2019: one between £70,000 and £80,000); plus employer pension costs of £5,396 (2019: £6,983).

7.3 Directors' emoluments

The following salaries were paid to the Executive Directors, as permitted by the Memorandum of Association:

	Salary £	Pension £	NICs £	Benefits in Kind £	Total 2020 £	Total 2019 £
P Martin	<u>54,746</u>	<u>5,396</u>	<u>6,022</u>	<u>9,667</u>	<u>75,831</u>	<u>87,387</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes during the period is 1 (2019: 1). Key management personnel remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) totalled £107,001 (2019: £87,387).

The following amounts were paid to or for the services of the non-executive Directors, as permitted by the Memorandum of Association under contracts for services:

	2020 £	2019 £
T Bright	-	350
M Young	27	472
G Calver (paid direct)	687	476
G Calver (paid to Evangelical Alliance)	<u>-</u>	<u>900</u>

Also during the period, total travel expenses of £1,256 (2019: £2,192) were reimbursed to 8 (2019: 7) directors. Directors' indemnity insurance of £2,508 (2019: £2,096) was paid during the period.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

8a Tangible fixed assets – GROUP

	Freehold Property £	Studio Equipment £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Plant and Machinery £	Total 2020 £
Cost or valuation							
At 1 October 2019	2,170	11,920	287,725	458	81,420	513,394	897,087
Additions in the period	-	-	46,826	-	-	17,622	64,448
Disposals in the period	-	(11,920)	(79,213)	-	(19,650)	(47,126)	(157,909)
At 30 September 2020	<u>2,170</u>	<u>-</u>	<u>255,338</u>	<u>458</u>	<u>61,770</u>	<u>483,890</u>	<u>803,626</u>
Depreciation							
At 1 October 2019	2,170	11,920	259,094	458	61,532	464,140	799,314
Charge for period	-	-	25,714	-	8,673	23,040	57,427
Released on disposal	-	(11,920)	(79,213)	-	(19,650)	(47,150)	(157,933)
At 30 September 2020	<u>2,170</u>	<u>-</u>	<u>205,595</u>	<u>458</u>	<u>50,555</u>	<u>440,030</u>	<u>698,808</u>
Net book value							
At 30 September 2020	<u>-</u>	<u>-</u>	<u>49,743</u>	<u>-</u>	<u>11,215</u>	<u>43,860</u>	<u>104,818</u>
At 1 October 2019	<u>-</u>	<u>-</u>	<u>28,631</u>	<u>-</u>	<u>19,888</u>	<u>49,254</u>	<u>97,773</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

8b Tangible fixed assets – COMPANY

	Freehold Property £	Studio Equipment £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Plant and Machinery £	Total 2020 £
Cost or valuation							
At 1 October 2019	-	11,920	284,622	-	81,420	514,474	892,436
Additions in the period	-	-	46,826	-	-	17,622	64,448
Disposals in the period	-	(11,920)	(79,213)	-	(19,650)	(47,126)	(157,909)
At 30 September 2020	<u>-</u>	<u>-</u>	<u>252,235</u>	<u>-</u>	<u>61,770</u>	<u>484,970</u>	<u>798,975</u>
Depreciation							
At 1 October 2019	-	11,920	255,993	-	61,532	465,218	794,663
Charge for period	-	-	25,714	-	8,673	23,040	57,427
Released on disposal	-	(11,920)	(79,213)	-	(19,650)	(47,150)	(157,933)
At 30 September 2020	<u>-</u>	<u>-</u>	<u>202,494</u>	<u>-</u>	<u>50,555</u>	<u>441,108</u>	<u>694,157</u>
Net book value							
At 30 September 2020	<u>-</u>	<u>-</u>	<u>49,741</u>	<u>-</u>	<u>11,215</u>	<u>43,862</u>	<u>104,818</u>
At 1 October 2019	<u>-</u>	<u>-</u>	<u>28,629</u>	<u>-</u>	<u>19,888</u>	<u>49,256</u>	<u>97,773</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

9 Fixed asset investments – COMPANY

	2020 £	2019 £
Shares in subsidiaries - Cost less impairment		
At 1 October 2019	1,128	1,128
Disposals	-	-
At 30 September 2020	<u>1,128</u>	<u>1,128</u>
Historical cost at 30 September 2020	<u>1,128</u>	<u>1,128</u>

Essential Christian owns 100% of the issued share capital of Daybreak Music Ltd (company number 01438805) and Song Solutions Ltd (company number 02714955), which are both companies registered in England and Wales at the same address as Essential Christian. Daybreak Music Ltd had net assets at 30 September 2020 of £1,000 and profit for the period then ended of £nil. Song Solutions Ltd had net assets at 30 September 2020 of £100 and profit for the period then ended of £nil.

Essential Christian also holds a 70% stake in Copycare Pacific Pty Limited, a company registered in Australia, by virtue of its 100% shareholding in its immediate parent company, Song Solutions Ltd. Copycare Pacific Pty Limited had net assets at 30 September 2020 of AUS\$34,937 and profit for the 15 month period then ended of AUS\$84,256.

10 Stocks – GROUP AND COMPANY

	2020 £	2019 £
Goods for resale	75,918	90,463
Work in progress	19,335	35,973
	<u>95,253</u>	<u>126,436</u>

11a Debtors – GROUP

	2020 £	2019 £
Trade debtors	211,360	57,145
Other debtors including other taxation	42,801	23,702
Prepayments and accrued income	190,091	206,806
	<u>444,252</u>	<u>287,653</u>

11b Debtors – COMPANY

	2020 £	2019 £
Trade debtors	211,360	57,145
Other debtors including other taxation	41,701	22,602
Prepayments and accrued income	190,091	206,806
	<u>443,152</u>	<u>286,553</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

12a Creditors: Amounts falling due within one year – GROUP

	2020 £	2019 £
Other loans	750,000	829,136
Trade creditors	14,825	205,169
Other creditors including taxation	204,490	156,803
Accruals and deferred income	192,925	285,493
	<u>1,162,240</u>	<u>1,476,601</u>

12b Creditors: Amounts falling due within one year – COMPANY

	2020 £	2019 £
Other loans	750,000	800,000
Trade creditors	14,825	205,169
Other creditors including taxation	129,705	108,446
Accruals and deferred income	192,925	285,493
	<u>1,087,455</u>	<u>1,399,108</u>

The other loans are interest free and repayable on 30 days notice. Such notice is not to be given before 31 May 2021. They are secured via a fixed and floating charge on the assets of the company.

13a Unrestricted funds – GROUP

	Balance B/F £	Minority interests £	Income £	Expenditure £	Transfers £	Balance C/F £
General funds - 2020	<u>(453,021)</u>	<u>(3,242)</u>	<u>3,440,074</u>	<u>(3,477,101)</u>	-	<u>(493,290)</u>
General funds - 2019	<u>(400,395)</u>	<u>(37)</u>	<u>4,457,697</u>	<u>(4,510,286)</u>	-	<u>(453,021)</u>

13b Unrestricted funds – COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
General funds - 2020	<u>(458,938)</u>	<u>3,198,473</u>	<u>(3,246,306)</u>	-	<u>(506,771)</u>
General funds - 2019	<u>(406,225)</u>	<u>4,266,935</u>	<u>(4,319,648)</u>	-	<u>(458,938)</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

14 Restricted funds – GROUP AND COMPANY

	Balance B/F £	Income £	Expenditure £	Transfers £	Balance C/F £
2020					
2019 SH offering tithe	662	-	-	-	662
2020 SH offering tithe	-	69,439	(69,439)	-	-
SH Partnership Fund	-	126,159	(126,159)	-	-
SH North	250,000	-	(44,777)	-	205,223
SH Youth offering appeal 2019	1,866	-	-	-	1,866
SH Children's offering appeal 2019	1,927	-	-	-	1,927
SHH offerings fund	-	1,666	(1,666)	-	-
SHH offerings fund: Accessibility Fund	19,509	-	(16,704)	-	2,805
Hope Lebedyn	<u>9,600</u>	<u>123,111</u>	<u>(13,308)</u>	-	<u>119,403</u>
	<u>283,564</u>	<u>320,375</u>	<u>(272,053)</u>	-	<u>331,886</u>
2019					
2017 SH offering tithe	31,158	-	(31,158)	-	-
2018 SH offering tithe	-	2,000	(2,000)	-	-
2019 SH offering tithe	-	17,428	(16,766)	-	662
SH Partnership Fund	-	140,196	(140,196)	-	-
SH North	-	250,000	-	-	250,000
SH Youth offering appeal 2018	1,620	-	(1,620)	-	-
SH Children's offering appeal 2018	2,324	-	(2,324)	-	-
SH Youth offering appeal 2019	-	3,732	(1,866)	-	1,866
SH Children's offering appeal 2019	-	3,854	(1,927)	-	1,927
SHH offerings fund	-	12,307	(12,307)	-	-
SHH offerings fund: Accessibility Fund	43,729	-	(24,220)	-	19,509
Hope Lebedyn	<u>4,105</u>	<u>50,246</u>	<u>(44,751)</u>	-	<u>9,600</u>
	<u>82,936</u>	<u>479,763</u>	<u>(279,135)</u>	-	<u>283,564</u>

2017 SH offering tithe

The remaining balance from this portion of the Spring Harvest 2017 offering, to support the work of church unity movements around the UK, was disbursed in 2018-19.

2018 SH offering tithe

The remaining portion of the Spring Harvest 2018 offering, towards work to support Iranian Christians, was fully disbursed in 2018-19.

2019 SH offering tithe

This portion of the offering taken at Spring Harvest 2019 was for 24/7Prayer in its support for a church in the Middle East.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

14 Restricted funds – GROUP AND COMPANY (continued)

2020 SH offering tithe

This portion of the gifts given during and following Spring Harvest online in 2020 was to train and equip Bible teachers in China and to fund affordable Bibles; and to support mission in Lededyn, Ukraine, and was divided equally between them. The Ukraine sum was moved to the Hope Lebedyn fund.

SH Partnership Fund

The Spring Harvest Partnership Fund comprises gifts made specifically in support of and for running the Spring Harvest event.

SH North

This comprised a donation in 2019 to support Spring Harvest in the North.

SH Youth and Children's offering 2018 appeals

These funds were raised in the programmes at Spring Harvest 2018 and both were split equally between work to support Iranian Christians and providing for Spring Harvest to be more accessible to people with additional needs or whose families could not afford to come without help.

SH Youth and Children's offering 2019 appeals

These funds were raised in the programmes at Spring Harvest 2019 and both were split equally between 24/7Prayer in its support of a church in the Middle East, and providing for Spring Harvest to be more accessible to people with additional needs or whose families could not afford to come without help. The latter segment was carried forward.

SHH Offerings fund

These funds were given by Spring Harvest Holidays guests to be used to support projects in France, a bursary scheme to assist people who would not otherwise be able to attend, and couriers who were moving into ministry or training roles.

SHH Offerings fund: Accessibility Fund

The allows for improved facilities for Spring Harvest Holidays guests with disabilities and in 2020 funded accessible toilets, automatic doors and a wheelchair ramp.

Hope Lebedyn

This comprises funds given in support of a mission centre and church in Lebedyn, Ukraine, as set out in the Report.

15a Analysis of net assets by fund – GROUP 2020

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	104,818	-	104,818
Net current (liabilities)/assets	(592,293)	331,886	(260,407)
Minority interests	(5,815)	-	(5,815)
	<u>(493,290)</u>	<u>331,886</u>	<u>(161,404)</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

15b Analysis of net assets by fund – COMPANY 2020

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	104,818	-	104,818
Investments	1,128	-	1,128
Net current (liabilities)/assets	<u>(612,717)</u>	<u>331,886</u>	<u>(280,831)</u>
	<u>(506,771)</u>	<u>331,886</u>	<u>(174,885)</u>

15c Analysis of net assets by fund – GROUP 2019

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	97,773	-	97,773
Net current (liabilities)/assets	(548,221)	283,564	(264,657)
Minority interests	<u>(2,573)</u>	<u>-</u>	<u>(2,573)</u>
	<u>(453,021)</u>	<u>283,564</u>	<u>(169,457)</u>

15d Analysis of net assets by fund – COMPANY 2019

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	97,773	-	97,773
Investments	1,128	-	1,128
Net current (liabilities)/assets	<u>(557,839)</u>	<u>283,564</u>	<u>(274,275)</u>
	<u>(458,938)</u>	<u>283,564</u>	<u>(175,734)</u>

16 Constitution of the company and status

The governing instrument of the company is its Memorandum and Articles of Association. The company is limited by guarantee, the liability of each member being limited to £1. At 30 September 2020 there were 9 members (2019: 9 members).

The company is registered as a company with number 06667924, registered with the Inland Revenue and is exempt from corporation tax on its charitable activities.

17 Pension scheme arrangements

The group makes contributions to personal pension plans held by employees. The pension cost charge represents the contributions paid by the group to the funds and amounted to £79,655 (2019: £71,122) for the period.

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

18 Grants and grantmaking

The following institutional and individual grants were made by the charitable company during the period:

	2020
	£
<i><u>Institutional grants</u></i>	
Summy Spiritual Revival Centre, Lebedyn	8,603
Spring Harvest Holidays	18,371
Bible Society	<u>34,719</u>
Total institutional grants	61,693
<i><u>Grants to individuals</u></i>	
EC Hope Lebedyn local church team	<u>39,425</u>
Total grants	101,118
Grantmaking costs	<u>5,966</u>
Total grants and grantmaking	<u>107,084</u>

19 Financial commitments

The charitable company's total future minimum lease payments under operating leases at 30 September 2020 were payable as set out below:

	2020	2019
	£	£
Within one year	94,040	94,040
Within two to five years	188,080	282,120
More than five years	-	-
	<u>282,120</u>	<u>376,160</u>

The operating lease charges for the period were:

	2020	2019
	£	£
Land and buildings	94,040	97,914
Hire of plant, machinery and fittings	<u>4,800</u>	<u>3,815</u>
	<u>98,840</u>	<u>101,729</u>

ESSENTIAL CHRISTIAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (continued)

20 Related party relationships and transactions

ZipAddress Ltd and AFD Software Ltd are companies controlled by D Dorricott, a director of Essential Christian. During the period interest free loan advances of £1,200,000 (2019: 1,250,000) were received by Essential Christian from ZipAddress Limited. There was an opening balance of £800,000 (2019: £700,000). £1,250,000 (2019: £650,000) was repaid during the period, leaving a balance of £750,000 (2019: £800,000) at the period end. A gift of £500,000 was received from AFD Software Ltd.

During the period £123,000 (2019: £127,000) of sales were made to Spring Harvest Holidays Ltd, a company registered in England and Wales and owned by ZipAddress Ltd and of which D Dorricott is a mutual director.

During the period £156 (2019: £322) of purchases were made on normal commercial terms from Friends and Heroes Productions Ltd, a company registered in the Isle of Man and owned by ZipAddress Ltd and of which D Dorricott is a mutual director.

During the period £5,745 (2019: £364) of purchases were made on normal commercial terms from ZipAddress Ltd, a company registered in the Isle of Man and of which D Dorricott is a mutual director.

During the period £791 (2019: £7,895) of sales were made to Lion Hudson PLC, a company registered in England and Wales, of which ZipAddress Limited was a secured creditor.

During the period £nil (2019: 196) of purchases were made from Lion Hudson Ltd, a company registered in the Isle of Man, and owned by ZipAddress Ltd and of which David Dorricott is a mutual Director.

During the period £5,745 (2019: £5,572) of payments were made to Evangelical Alliance Ltd, a company registered in England and Wales of which Gavin Calver is the Chief Executive, and was a director of Essential Christian until 31 December 2020.

The total amount of donations received from directors during the period restricted for EC Missions was £2,900 (2019: £3,977). The total amount of donations received from directors during the period restricted for Spring Harvest was £2,860 (2019: £3,062). The total amount of donations received from directors during the period restricted for Hope Lebedyn was £10,200 (2019: £nil)

The total amounts paid to family members of the non-executive directors during the period was £100 (2019: £600). The total remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) to family members of the executive director was £85,039 (2019: £78,356).