



Innervation Trust Limited

(A Company Limited by Guarantee)

Trustees' Annual Report and Unaudited Financial Statements

Year Ended 31st December 2022

Company Number 06727979

Registered Charity Number 1131757



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Trustees' Annual Report Year Ended 31st December 2022

The Trustees present their report together with the financial statements of the charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 (page 20) and comply with the Charity's Trust Deed, the Charities Act 2011 and 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 (FRS102) (effective January 2019) and applicable law.

Reference and Administrative Information

| | |
|---|--|
| Registered Name: | Innervation Trust Limited |
| Charity Number: | 1131757 |
| Registered and Principal Office: | Unit 27 Cotteswold Dairy Estate Dairy Way Tewkesbury Gloucestershire GL20 8JE |
| Company Number: | 06727979 |
| Trustees/Directors: | Bishop Roger Morris (Chairman) Helen Springett Rev Mark Badger William Mansell (appointed 17th March 2022) Phillip Simpson |
| Bankers: | National Westminster Bank 10 Great Underbank Stockport SK1 1LL |
| Independent Examiner: | Elizabeth Eyre FCA Elizabeth Eyre Limited 6 Bank Street Malvern WR14 2JN |
| Key Management: | Miriam Porter (Operational Director of iSingPOP) Becki Ross (Operations Manager) Lorraine Pearson (Office Manager) |



Trustees' Annual Report Year Ended 31st December 2022

Objectives and Activities

The objective of the charity, as set out in the Memorandum and Articles of Association, is the advancement of the Christian faith.

To deliver the charitable objective the Trust offers a range of music-related charitable services to churches and schools through its flagship schools programme, iSingPOP. The aim is to present the Christian message and the positive values it promotes in a way to which children and young people can relate.

There are three central values underpinning our projects. Firstly, it is about sharing the good news of our Christian faith. Secondly, we are passionate about great music. We use fun, modern pop songs specifically written for our projects based on great values and themes. Thirdly, iSingPOP is about community. Our projects aim to bring school, church and home together through a community project that is uplifting and promotes joy and togetherness.

Achievements and Performance

For me, our most significant achievement was going back to school! We had a new set of songs in September 2022. It felt like, finally, we could move forward with confidence. One of the songs that has had a significant impact focuses on the essential value of flourishing children. As we went into schools, we aimed to share hope and joy and help rebuild children's confidence.

In 2022, we impacted over **100,000 children** through our Main Event, Workshop, Leavers, digital streams, YouTube and Classroom Worship.

Returning to schools with The Main Event, our new Lent Workshop and Cathedral Leavers Services was so joyful. The team found that the children were even more excited to see them, especially in schools with Classroom Worship. The kids knew who they were from the get-go; it was beautiful when they shared with the project leaders how many of Leah's animated bible stories they liked and asked questions about the episodes. Some of the children thought the team all lived together on the set! We heard from head teachers that kids were playing Classroom Worship in the playground, pretending to be Sandy, Chris or Leah and acting out bible stories

In-Person Connection Points



The Main Event

Four-day teaching and performing brings school, church, and community together



Workshop Days

A deeper delve into Christianity



Leavers Services

Memorable moments for children as they move on from Primary School.



The Pop Box

Hybrid physical and digital resource enables children to peer lead their own collective worship

Digital Connection Points



Classroom Worship

Fun-filled, weekly collective worship series



Prayer Activity

Weekly prayer activity for the classroom



YouTube

Fun, faith filled content for children at church, school & home



Music Platforms

iSingPOP worship songs for church, school and home

The Main Event

Rehearse. Perform. Resource.

The Main Event is a live, interactive, tutor-led experience that takes place over the course of 4 days. This immersive project will unite the school, church and local community, build children's confidence and encourage them to think about inclusive Christian values through fun, reflection and worship!

Rehearse (Days 1-3: Teaching)

The school will spend the first three days learning a set of catchy, fun-filled pop songs with their iSingPOP project leader. Each song is based on an important and inclusive Christian value.

Perform (Day 4: Concert)

The following week, the school will perform a live concert inviting the community to their local church. We supply professional live production, including PA, visuals and all equipment necessary for the concert. In every concert, we always make space for the local vicar or member of the church community to share what is happening in the life of the church!

Resource

We will leave the school and church with a set of teaching videos so that they can keep on singing.

The Pop Box

Pick. Mix. Praise

Whether seeking to **invigorate your all-age service** with fresh ideas or are eager to empower the next generation to **peer-led collective worship**, the Pop Box is a **go-to interactive toolkit**. We provide the templates, topics, and a wide range of resources, so all you or your young leaders have to do is bring your enthusiasm! Either use our ready-made services or let your creativity flourish and pick & and mix your own.



Each box contains 12 monthly, interactive collective worship services, which include:

- Bible stories
- Prayers
- Games
- Songs
- Crafts
- Engaging discussion points



Interactive Workshops

Exploring the Christian faith in depth

Our interactive workshops go beyond the surface, **delving deeper into faith** themes. They unite the whole school in a day-long quest to explore the real meaning behind key Christian festivals and why many still celebrate them today.

We currently offer workshops on the themes of **Harvest**, **Christmas**, **Lent**, **Easter** and **Pentecost**.

Every workshop day includes:

- Age-appropriate workshop sessions for the whole school
- Catchy iSingPOP songs and dances to learn
- A biblical exploration of the theme
- A group prayer activity
- A celebration assembly

Leavers' Services

Leaving Lasting Memories

Leaver's Services mark crucial milestones in the academic journey of a child, **creating reflective and celebratory memories they'll treasure forever**.

It is for that reason, iSingPOP is committed to ensure your vision for these events are creatively and technically supported.



Classroom Worship

Gather. Watch. Grow.

Collective Worship offers a moment of peace, **bringing the entire school family together** to celebrate their values. To support schools in this endeavour, iSingPOP created 'Classroom Worship,' a **15-minute weekly, interactive digital series** aligned with the **SIAMS** framework. No intensive planning is needed for teachers

Classroom Worship at a glance:

- Follows SIAMS framework
- Promotes inclusive Christian values
- Topics and themes available 2 years in advance
- 15-minute episodes and separate prayer activity every week!

Each episode includes:

- Animated Bible stories
- Prayers & Reflections
- Group discussions
- Prayer Activities
- Songs & Dances



Impact



Thousands of points of invitation for churches



Share the good news of the gospel



Faith foundations in children



Growing confident worship leaders



Schools become joyful worshipping communities

Feedback

"We had a great week last week with you. I was particularly impressed with how quickly you got to know the children, recognised their individuality and built relationships. They thought you were amazing!"

"The concerts were very well received by parents, and we have received many positive comments. What struck me was the smiles on their faces throughout the concert—for many of the children the concerts will be something they will remember for a very long time. For our pupils, engaging in a project like the Main Event is transformational—they will probably never have experienced anything like this before."

"I am emailing to let you know how brilliant the classroom worship materials have been this year. It has really helped to structure and pull together our worships and given us a strong weekly theme to link our whole school worships and classroom worships together to help revisit and embed the ideas and concepts." Collective Worship Lead.

"Last night's concert was totally wonderful and amazing. We had tears, laughter, singing, dancing. We were so so proud and joyed by our children. Heidi has enjoyed herself so much, she has not stopped practicing and talking about Emma, even woke up singing the songs this morning. When Emma marched the kids in skipping to the music it was brilliant one of the best school things we have ever been to. Thank you so much everyone involved." Parent

"Since subscribing to the iSingPOP resources I have been really impressed. We use the Pop Box to support our pupils in leading worship and the classroom worship resources weekly. Please keep the resources coming!" Headteacher

"A fun and engaging way of sharing the values at the heart of the Christian faith with children, staff and families." Church Leader





Challenges

It is also important to acknowledge the challenges of this year. iSingPOP was incredibly resilient, creating new and innovative ways of connecting with schools through digital and physical resources described as a lifeline to schools and homes across the UK.

As with many other companies and charities, moving out of the pandemic into a new era was much more challenging than anticipated.

In early 2022, we were still battling with Omicron, COVID restrictions were in place, and we constantly had to change, delay and cancel projects due to further school outbreaks.

This brought about new challenges;

How did the team move forward with the increased workload of our weekly digital resource production, added to our new workshop days, The Pop Box and The Main Event?

How did the staff who had returned from furlough cope with this busier organisation, especially in light of the lockdown and not being in work for six months?

How did we do this with the cash flow we had due to the challenges of the pandemic?

The trustees requested a companywide restructuring to address these challenges. We looked at reorganising and creating new roles, needing to make the most of the team's creativity. We also needed to update our CRM and IT systems, embracing new technologies and automations.

By December 2022, we had a new core team in place, and the first stage of our restructuring was complete.

As part of this, we created our vision statement.

Our Vision

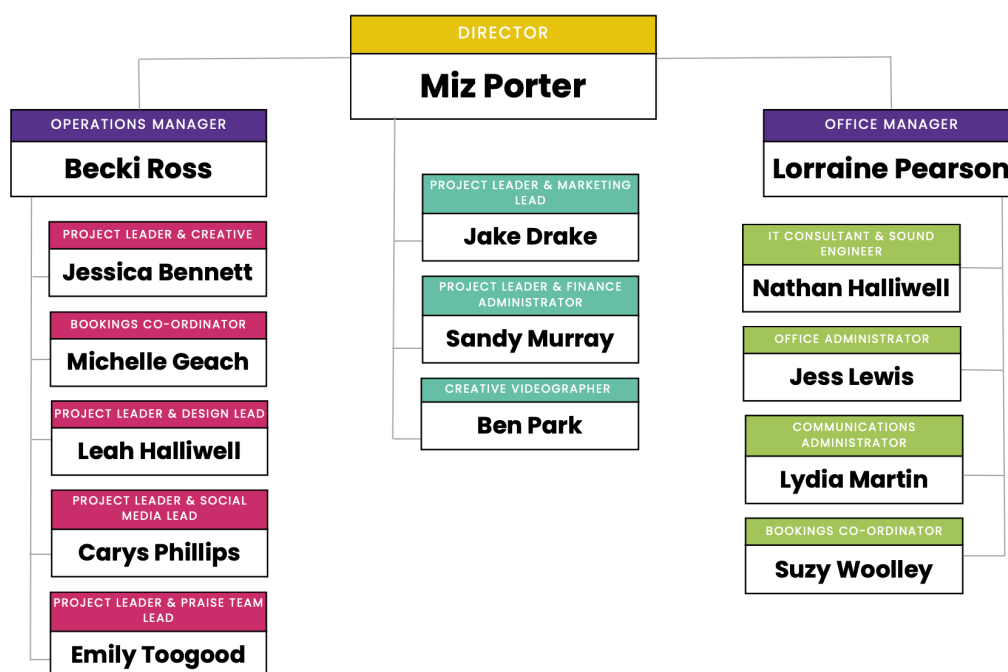
- To see children, teachers & families engaging in, and leading worship, seeds of faith sown, and personal faith explored
- To enable the church to engage with the children and families in their community
- To share the love of God in church, school, and home
- To reach 1,000,000 children over 5 years

Excellence Creativity Flourishing Team

In 2023, we will set in place our final stage of restructuring as we plan to create a sustainable model, bringing in all we have built-in 2021/2022, with the backing of the Benefact Trusts transformational grant and our growing relationship of trust within our Church of England's diocese long-term partnerships.

There is a need to bring church, school, and community back together and we want to help facilitate this. We are excited about the new team and all 2023 will bring! It's fair to say that 2022 brought its growing pains, but we look forward to 2023!

New Team Structure, December 2022



Key Management Changes

Sarah Haughan, Senior Area Manager Leaving date September 2022

Clare Morgan, Deputy Director, leaving date November 2022

We are very grateful to Clare and Sarah's dedication and service to the Trust.

New Senior Leadership Team

Miriam Porter, Director

Becki Ross, Operations Manager

Lorraine Pearson, Office Manager

Financial Results

Innervation Trust Limited receives its funding from three sources: voluntary income and grants, from school week projects and from the sale of music and merchandise.

Total donation and grant income, including Gift Aid, amounted to £220,599 (2021: £175,079).

'Income from Charitable Activities' in the accounts shown as £211,916 (2021: £113,805).

Expenditure on Charitable Activities has increased to £438,694 in 2021 compared to £256,865 in 2021.

Total expenditure exceeded income in the period by £20,694 (2021: £23,351).

Related Parties

There were a number of transactions with related parties during the year. These are more fully disclosed in note 22 on page 32.

In addition, the Trust has a subsidiary company, Innervation Trading Company Limited. Innervation Trading was set up to process commercial transactions arising out of the Trust's charitable activities. Transactions with this company are more fully disclosed in note 22 on page 32.

Public Benefit

The Trustees are aware of the Charity Commission's guidance on public benefit. The work of the charity and the funds it raises are wholly directed towards the objectives as set out on page 4 and the Trustees hold the view that the charity meets the criteria laid down for meeting the public benefit test.

Principal Risks and Uncertainties

The Trustees have identified the major risks the charity is exposed to and have established processes and procedures to ensure such risks are mitigated as far as possible.

The principal risks are identified as:

When it became clear that the iSingPOP project would be a significant risk factor in spreading the Omicron strain of COVID-19 and the schools were again postponing the project, the trustees and key staff immediately took steps to ensure the finances. Classroom Worship subscriptions, sales of The Pop Box, and continued support from grant funders, including a transformational grant from the Benefact Trust, ensured that we would survive the year and remain a going concern.

Going Concern & Reserves Policy

We know that at the end of the year, our reserves dropped down to £7,953; however, with restructuring, utilising innovative technologies and assessing where we can reduce costs, we recovered in 2023 to rebuild our reserves.

Structure, Governance and Management

Innervation Trust Limited is a company limited by guarantee and is a registered charity governed by its Memorandum and Articles of Association and the compliance requirements of the Companies Acts and the Charities Act.

Structure, Governance and Management cont.

The governance of the Charity is provided through a group of appointed Trustees who are also company directors and who give their time, expertise and energies to ensure that the work of the Charity makes a positive difference in fulfilling its charitable objectives.

New Trustees are appointed by existing trustees and given appropriate induction and training on appointment.

Trustees who served in the period and up to the date of signing this report are listed on page 3.

Day-to-day management of the Trust's operations is delegated to the operational directors and senior staff who are not Trustees. The operational director and senior staff who served in the year were: Miriam Porter, Becki Ross, Clare Morgan, Sarah Haughan and Lorraine Pearson. The Trust occasionally makes use of volunteers to ensure its projects are delivered successfully.

Staff Retention

We have spent time in 2022 restructuring our team to enable us to continue down our new path of creative digital and in-person projects and take full advantage of innovative technologies to streamline our administration.

The Future

We are now back in schools, busy fulfilling all the bookings delayed by Covid. We are also continuing to develop our digital resources and donor care to have several income streams in 2023. We also plan to look at our model in 2023 and create a new business plan, working with all our resources to fulfil our mission and become sustainable.

Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

The Trustees' Report and the Strategic Report were approved by the Board on 26th September 2023 and signed on its behalf by

Roger Morris
Chair of Trustees



Independent Examiner's Report Year Ended 31st December 2022

I report to the charity trustees on my examination of the accounts of Innervation Trust Limited for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act).


Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

As the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants, England and Wales.

I have completed my examination. I can confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 386 of the 2006 Act and section 130 of the 2011 Act; or
- the accounts did not accord with those records; or
- the accounts did not comply with the applicable accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 and under section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or



Independent Examiner's Report Year Ended 31st December 2022

Independent examiner's statement (cont'd)

- the accounts have not been prepared in accordance with the Charities SORP (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Elizabeth Eyre

Elizabeth Eyre
Chartered Accountant
Elizabeth Eyre Limited
Bank Street Business Centre
6 Bank Street
Malvern
WR14 2JN



Date : 27th September 2023

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
Year Ended 31st December 2022

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|----------------------------------|-------|----------------------------|--------------------------|--------------------|--------------------|
| INCOME FROM | | | | | |
| Donation and grant income | 3 | 182,515 | 38,084 | 220,599 | 175,079 |
| Charitable Activities | 4 | 211,916 | - | 211,916 | 113,805 |
| Other Trading Activities | 5 | - | - | - | - |
| Investment Income | | 5 | - | 5 | - |
| TOTAL INCOME | | 394,436 | 38,084 | 432,520 | 288,884 |
| EXPENDITURE ON | | | | | |
| Raising Funds | 6 | 14,520 | - | 14,520 | 8,668 |
| Charitable Activities | 7 | 416,019 | 22,675 | 438,694 | 256,865 |
| TOTAL EXPENDITURE | | 430,539 | 22,675 | 453,214 | 265,533 |
| NET INCOME | | | | | |
| AND NET MOVEMENT IN FUNDS | | (36,103) | 15,409 | (20,694) | 23,351 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 44,056 | - | 44,056 | 20,705 |
| TOTAL FUNDS | | | | | |
| CARRIED FORWARD | 19 | 7,953 | 15,409 | 23,362 | 44,056 |

The notes on pages 20 to 34 form part of these financial statements.

Balance Sheet

At 31st December 2022

| | Notes | 2022 £ | 2021 £ |
|--|-------|-----------------|-----------|
| FIXED ASSETS | | | |
| Intangible fixed assets | 12 | 1,880 | 2,115 |
| Tangible fixed assets | 13 | 5,821 | 3,824 |
| Investments | 14 | 100 | 100 |
| | | 7,801 | 6,039 |
| CURRENT ASSETS | | | |
| Stock | | 10,494 | 19,844 |
| Debtors | 15 | 46,249 | 55,079 |
| Cash at bank and in hand | | 62,037 | 57,850 |
| | | 118,780 | 132,773 |
| CREDITORS: Amounts falling due within one year | 16 | (91,719) | (83,256) |
| NET CURRENT ASSETS | | 27,061 | 49,517 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 34,862 | 55,556 |
| CREDITORS: Amounts falling due after more than one year | 18 | (11,500) | (11,500) |
| NET ASSETS | | 23,362 | 44,056 |
| FUNDS | | | |
| Restricted income funds | 19 | 15,409 | - |
| Unrestricted income funds | 19 | 7,953 | 44,056 |
| | | 23,362 | 44,056 |

For the year ending 31st December 2022, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its financial statements for the year in accordance with section 476 of the Companies Act 2006. The Trustees acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. These financial statements were approved and authorised for issue by the Board of Trustees on 26th September 2023 and signed on their behalf by:



Roger Morris
Chair of Trustees

The notes on pages 20 to 34 form part of these financial statements.

Notes to the Financial Statements

Year Ended 31st December 2022

1. Company information

Innervation Trust Limited was incorporated in England and Wales as a company limited by guarantee (registered no. 06727979) and has no share capital.

The liability of members in the event of winding up is limited to an amount not exceeding £1 per member; the number of members as at 31st December 2022 was 5.

Innervation Trust Limited is also registered as a charity with the Charity Commission (registered no. 1131757).

The registered office of Innervation Trust Limited is Unit 27, Cotteswold Dairy Estat, Dairy Way, Tewkesbury GL20 8JE.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements:

Basis of accounting

The financial statements have been prepared under the historical cost convention.

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)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Innervation Trust Limited meets the definition of a public benefit entity under FRS 102.

Notes to the Financial Statements

Year Ended 31st December 2022

2. Accounting policies (Cont'd)

Going concern

Over the year, expenditure exceeded income by £20,694 resulting in a funds position of £23,362 at 31st December 2022. Restricted funds at that date were £15,409.

Of the funds of £23,362 at 31st December 2022, £17,500 is represented by loans, which are to be repaid in total monthly instalments of £500.

The Trustees have prepared projections of the income and expenditure of the charity for 2023 and 2024. The management team are confident that, with the resumption of projects, the new digital resources are the support of existing donors, the charity has sufficient cash to meet its liabilities as they fall due.

Group accounts

The Charity is exempt from the requirement to prepare consolidated accounts by the virtue of the size of the group. These financial statements therefore present information about the charity as an individual company rather than as a group.

Statement of cash flows

The charitable company has taken advantage of the small company exemption and has not included a Statement of cash flows within the financial statements.

Income

Income is included in the Statement of Financial Activities when the charity is legally entitled to it, receipt is probable and the amount can be quantified with reasonable accuracy.

Investment income is accounted for the period in which the charity is entitled to receipt.

Notes to the Financial Statements

Year Ended 31st December 2022

2. Accounting policies (Cont'd)

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis.

Costs of raising funds comprise those costs incurred in generating donations and legacies.

The Trust's charitable activity is the advancement of the Christian faith worldwide. Costs incurred in furthering these aims are related to running schools weeks, including costs of merchandising and organising events. It also includes governance costs which are costs incurred for running the charity itself as an organisation, including costs related to the independent examination and accountancy.

Allocation of support costs

All costs are directly attributable to specific activities.

Pension scheme

The costs of providing defined contribution pensions are charged to the SOFA as they fall due. The difference between contributions payable in the period and those actually paid are shown as accruals in the balance sheet. The pension costs are allocated to the unrestricted funds as this is where staff costs are allocated.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation, with assets greater than the de-minimis of £500 being capitalised.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value over their expected useful lives on the following basis:

| | |
|----------------------------------|----------------------|
| Fixtures, fittings and equipment | 25% reducing balance |
| Motor Vehicles | 25% reducing balance |

Notes to the Financial Statements

Year Ended 31st December 2022

2. Accounting policies (Cont'd)

Stock

Stocks are valued at the lower of cost and net realisable value. The stock held is merchandise for resale.

Debtors

Trade debtors and accrued income are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions.

Creditors

Creditors are recognised where the charity has a present obligation resulting 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.

Funds

Funds held by the charity are either:

Unrestricted general funds

These are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Notes to the Financial Statements

Year Ended 31st December 2022

2. Accounting policies (Cont'd)

Financial instruments

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

Operating lease

Rentals applicable to operating leases are charged to the SOFA on a straight-line basis over the term of the lease.

Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the charity to the obligation.

Taxation

The company is a registered charity and as such is entitled to tax exemption on all its income and gains, properly applied for its charitable purposes.

VAT

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

Critical accounting judgements and key sources of estimation uncertainty

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

The annual depreciation charges for the tangible assets are sensitive to changes in the estimated useful lives and residual values of the assets. See note 13 for the carrying amount of the tangible assets and note 2 for the depreciation policies.

Notes to the Financial Statements

Year Ended 31st December 2022

3. Income from Donations and Grants

| | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|---------------------|----------------------------|--------------------------|-----------------------------|--------------------|
| Regular donations | 59,412 | 12,814 | 72,226 | 44,784 |
| One-off donations | 116,671 | 25,270 | 141,941 | 94,126 |
| Gift aid | 6,432 | - | 6,432 | 6,874 |
| Furlough CJRS grant | - | - | - | 29,295 |
| | 182,515 | 38,084 | 220,599 | 175,079 |

4. Income from Charitable Activities

| | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|----------------------------|----------------------------|--------------------------|-----------------------------|--------------------|
| Project income | 111,561 | - | 111,561 | 50,506 |
| Digital resources | 65,272 | - | 65,272 | 52,082 |
| Income from CD sales | - | - | - | - |
| Other merchandising income | 34,188 | - | 34,188 | 10,467 |
| Royalties | 895 | - | 895 | 750 |
| | 211,916 | - | 211,916 | 113,805 |

5. Income from Other Trading Activities

| | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|-----------------------|----------------------------|--------------------------|-----------------------------|--------------------|
| Bank refund | - | - | - | - |
| Sale of song licences | - | - | - | - |
| Loans written off | - | - | - | - |
| Other income | - | - | - | - |
| | - | - | - | - |

Notes to the Financial Statements

Year Ended 31st December 2022

6. Expenditure on Raising Funds

| | 2022 £ | 2021 £ |
|-------------------------|---------------|--------------|
| Travel and subsistence | - | - |
| Printing | - | - |
| Postage | - | - |
| Dancing | - | - |
| Leaflets | - | - |
| London Marathon | - | - |
| Church presentation | - | - |
| Fundraising consultancy | 14,520 | 8,668 |
| | 14,520 | 8,668 |

7. Expenditure on Charitable Activities

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|----------------|
| Purchase of merchandise | 25,496 | 3,421 |
| Project and equipment expenses | 83,717 | 57,628 |
| Motor and travel expenses | 25,446 | 9,067 |
| Entertainment and hospitality | 5,356 | 1,610 |
| Publicity | 14,805 | 7,834 |
| Keep on Singing | - | - |
| Support costs (note 8) | 279,240 | 172,567 |
| Governance Costs (note 8) | 4,634 | 4,738 |
| | 438,694 | 256,865 |

8. Governance and support costs

| | Support Costs £ | Governance Costs £ | 2022 £ |
|--|-----------------------|--------------------------|----------------|
| Salaries, wages and related costs (note 9) | 226,752 | - | 226,752 |
| Training | 3,364 | - | 3,364 |
| Administrative expenses | 32,306 | - | 32,306 |
| Premises expenses | 12,834 | - | 12,834 |
| Professional fees | 3,015 | - | 3,015 |
| Insurances | - | 1,324 | 1,324 |
| Gifts | 40 | - | 40 |
| Bank Charges | 929 | - | 929 |
| Independent Examiner's fees | - | 1,260 | 1,260 |
| Accountancy fees | - | 2,050 | 2,050 |
| | 279,240 | 4,634 | 283,874 |

No support costs have been allocated to grant making activities (2021: nil).

Notes to the Financial Statements

Year Ended 31st December 2022

9. Staff costs and numbers

| | 2022 £ | 2021 £ |
|--------------------|----------------|-----------|
| Salaries | 215,202 | 146,695 |
| National Insurance | 8,055 | 3,264 |
| Pension Costs | 3,495 | 1,978 |
| | 226,752 | 151,937 |

The average headcount number of staff during the year was 15 (2021: 12).

The remuneration of the key management personnel was £87,565 (2021: £70,074).

No employee was paid more than £60,000 in the current or previous financial year.

10. Trustee remuneration

Trustee expenses of £0 (2021 – £0) were reimbursed in the current financial year.

During the year donations of £600 were given by the Trustees to the charity (2021: £600).

11. Net income

| | | |
|--------------------------------|-----------|-----------|
| This is stated after charging: | 2022 £ | 2021 £ |
| Rentals under operating leases | 1,956 | 2,529 |
| Depreciation | 3,118 | 1,289 |
| Amortisation | 235 | 235 |
| Accountancy Costs | 2,050 | 2,539 |
| Independent Examiner's Fees | 1,260 | 1,200 |

Notes to the Financial Statements

Year Ended 31st December 2022

12. Intangible fixed assets

| | | Website £ |
|-----------------|---|--------------|
| Cost: | At 1 st January 2022 | 2,350 |
| | Additions in year | - |
| | Disposals | - |
| | At 31st December 2022 | 2,350 |
| Depreciation: | At 1 st January 2022 | 235 |
| | Charge for the year | 235 |
| | Disposals | - |
| | At 31st December 2022 | 470 |
| Net Book Value: | At 31st December 2022 | 1,880 |
| | At 31 st December 2021 | 2,115 |

The website is amortised on a straight line basis over 10 years.

Notes to the Financial Statements

Year Ended 31st December 2022

13. Tangible fixed assets

| | | Fixtures, Fittings and Equipment £ |
|-----------------|---|---------------------------------------|
| Cost: | At 1 st January 2022 | 22,707 |
| | Additions in year | 5,115 |
| | Disposals | - |
| | At 31st December 2022 | 27,822 |
| Depreciation: | At 1 st January 2022 | 18,883 |
| | Charge for the year | 3,118 |
| | Disposals | - |
| | At 31st December 2022 | 22,001 |
| Net Book Value: | At 31st December 2022 | 5,821 |
| | At 31 st December 2021 | 3,824 |

14. Investment in subsidiary

| | 2022 £ | 2021 £ |
|---|------------|-----------|
| Cost at 1 st January and 31 st December | 100 | 100 |

The subsidiary is Innervation Trading Company Limited, company number 05653870, which is 100% owned by the Trust and registered in England and Wales at Unit 27 Cottesswold Dairy Estate, Dairy Way, Tewkesbury GL20 8JE.

15. Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|---------------|-----------|
| Trade debtors | 44,524 | 51,755 |
| Owed by subsidiary | 100 | 28 |
| Prepayments and accrued income | 1,625 | 3,296 |
| | 46,249 | 55,079 |

Notes to the Financial Statements

Year Ended 31st December 2022

16. Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------|---------------|---------------|
| Trade Creditors | 4,179 | 9,537 |
| Loans | 6,000 | 6,000 |
| Taxation and social security | 2,517 | 7,260 |
| Accruals | 15,047 | 3,168 |
| Other creditors | 974 | 466 |
| Deferred income (note 16) | 63,002 | 56,825 |
| | 91,719 | 83,256 |

The loans are unsecured, interest-free and repayable in equal monthly instalments of £500.

17. Deferred income

| | 2022 £ | 2021 £ |
|----------------------------------|---------------|---------------|
| Amounts brought forward | 56,825 | 47,085 |
| Amounts received in the year | (56,825) | (47,085) |
| Amounts utilised during the year | 63,002 | 56,825 |
| | 63,002 | 56,825 |

Deferred income arises when schools and churches are invoiced in advance for future projects.

18. Creditors: amounts falling due after more than one year

| | 2022 £ | 2021 £ |
|------|-----------|-----------|
| Loan | 11,500 | 11,500 |

The loan is unsecured, interest-free and repayable in equal monthly instalments of £500.

Notes to the Financial Statements

Year Ended 31st December 2022

19. Movement in funds

| | Balance at 1 st January 2022 £ | Movement in Resources | | Balance at 31 st December 2022 £ |
|------------------------|---|-----------------------|------------------|---|
| | | Income £ | Expenditure £ | |
| Restricted Funds: | | | | |
| Classroom Worship | - | 15,514 | 9,003 | 6,511 |
| Gloucester Diocese | - | 16,000 | 13,672 | 2,328 |
| J Priestman Foundation | - | 1,400 | - | 1,400 |
| Good News Evangelical | - | 4,900 | - | 4,900 |
| Bursary scheme | - | 270 | - | 270 |
| | - | 38,084 | 22,675 | 15,409 |
| Unrestricted Funds | 44,056 | 394,436 | (430,539) | 7,953 |
| Total Funds | 44,056 | 432,520 | (453,214) | 23,362 |

20. Net assets by fund

| | Intangible and Tangible Fixed Assets £ | Investments £ | Net current Assets £ | Creditors Due After One Year £ | Total £ |
|--------------------|---|------------------|----------------------------|---|---------------|
| Unrestricted Funds | 7,701 | 100 | 152 | - | 7,953 |
| Restricted Funds | - | - | 26,909 | (11,500) | 15,409 |
| Total Funds | 7,701 | 100 | 27,061 | (11,500) | 23,362 |

21. Financial instruments

| | | |
|--|------------------|-----------|
| This is stated after charging: | 2022 £ | 2021 £ |
| Financial assets measured at settlement value | 112,901 | 80,118 |
| Financial liabilities measured at settlement value | (30,205) | (26,657) |

Notes to the Financial Statements

Year Ended 31st December 2022

22. Related party transactions

Innervation Trading Company Limited (“Trading”) is a related party as it is a subsidiary of Innervation Trust Limited (“the Trust”).

The Trust has a related ministry called iSingWorship. This is a smartphone and tablet application (“App”) which makes worship and music in small groups easy to deliver. iSingWorship itself is partly owned by Movation Productions Limited and Kingdom Apps Limited, both entities in which Anthony Porter and Mark Pennells have an interest. The amount owed to Innervation Trust Limited at 31 December 2022 was £100 (2021 - £28).

23. Statement of Financial Activities – prior year

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| INCOME FROM | | | | |
| Donation and grant income | 175,079 | - | 175,079 | 204,243 |
| Charitable Activities | 113,805 | - | 113,805 | 88,851 |
| Other Trading Activities | - | - | - | - |
| Investment Income | - | - | - | - |
| TOTAL INCOME | 288,884 | - | 288,884 | 293,094 |
| EXPENDITURE ON | | | | |
| Raising Funds | 8,668 | - | 8,668 | 9131 |
| Charitable Activities | 256,865 | - | 256,865 | 251,049 |
| TOTAL EXPENDITURE | 265,533 | - | 265,533 | 260,180 |
| NET INCOME AND NET MOVEMENT IN FUNDS | 23,351 | - | 23,351 | 32,914 |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | 20,705 | - | 20,705 | (12,209) |
| TOTAL FUNDS CARRIED FORWARD | 44,056 | - | 44,056 | 20,705 |

Notes to the Financial Statements

Year Ended 31st December 2022

24. Income from Donations and Grants – prior year

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---------------------------|----------------------------|--------------------------|-----------------------------|--------------------|
| Regular donations | 44,784 | - | 44,784 | 47,406 |
| One-off donations | 94,126 | - | 94,126 | 92,912 |
| Gift aid | 6,874 | - | 6,874 | 11,468 |
| Furlough CJRS grant | 29,295 | - | 29,295 | 42,457 |
| Small Business Grant Fund | - | - | - | 10,000 |
| | 175,079 | - | 175,079 | 204,243 |

25. Income from Charitable Activities – prior year

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|----------------------------|----------------------------|--------------------------|-----------------------------|--------------------|
| Project income | 50,506 | - | 50,506 | 57,636 |
| Digital resources | 52,082 | - | 52,082 | 14,180 |
| Income from CD sales | - | - | - | 5,937 |
| Other merchandising income | 10,467 | - | 10,467 | 10,775 |
| Royalties | 750 | - | 750 | 323 |
| | 113,805 | - | 113,805 | 88,851 |

26. Expenditure on Raising Funds – prior year

| | 2021 £ | 2020 £ |
|-------------------------|-------------------|-----------|
| Fundraising consultancy | 8,668 | 9,131 |
| | 8,668 | 9,131 |

Notes to the Financial Statements

Year Ended 31st December 2022

27. Expenditure on Charitable Activities – prior year

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|----------------|
| Purchase of merchandise | 3,421 | 11,343 |
| Project and equipment expenses | 57,628 | 62,712 |
| Motor and travel expenses | 9,067 | 6,869 |
| Entertainment and hospitality | 1,610 | 1,156 |
| Publicity | 7,834 | 2,323 |
| Keep on Singing | - | - |
| Support costs (note 8) | 172,567 | 161,276 |
| Governance Costs (note 8) | 4,738 | 5,370 |
| | 256,865 | 251,049 |

28. Governance and support costs – prior year

| | Support Costs £ | Governance Costs £ | 2021 £ |
|--|-----------------------|--------------------------|----------------|
| Salaries, wages and related costs (note 9) | 151,937 | - | 151,937 |
| Training | 965 | - | 965 |
| Administrative expenses | 13,377 | - | 13,377 |
| Premises expenses | 5,526 | - | 5,526 |
| Professional fees | - | - | - |
| Insurances | - | 999 | 999 |
| Gifts | - | - | - |
| Bank Charges | 762 | - | 762 |
| Independent Examiner's fees | - | 1,200 | 1,200 |
| Accountancy fees | - | 2,539 | 2,539 |
| | 172,567 | 4,738 | 177,305 |

29. Movement in funds – prior year

| | Balance at 1 st January 2021 £ | Movement in Resources Income £ | Expenditure £ | Balance at 31 st December 2021 £ |
|--------------------|---|--------------------------------------|------------------|---|
| Unrestricted Funds | 20,705 | 288,884 | (265,533) | 44,056 |
| Total Funds | 20,705 | 288,884 | (265,533) | 44,056 |