

REGISTERED CHARITY NUMBER: 1161926

TRUSTEES' REPORT AND  
CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2023  
FOR

FREEDOM CHURCH HEREFORD CIO  
(Incorporating Wildfire (Hereford) Limited)



**FREEDOM**

*Church Hereford CIO*

Moore Chartered Accountants and Statutory Auditor  
30 Gay Street  
Bath  
BA1 2PA

**FREEDOM CHURCH HEREFORD CIO**

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**FOR THE YEAR ENDED 31 MARCH 2023**

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**FREEDOM CHURCH HEREFORD CIO**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2023. The financial statements comply with the Charities Act 2011 and the 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.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The core objectives of Freedom Church Hereford CIO (Freedom Church) are summarised as follows:

The advancement of the Christian religion mainly, but not exclusively by means of: broadcasting Christian messages of an evangelistic and teaching nature; holding meetings; producing or distributing literature about Christianity.

The prevention or relief of poverty or financial hardship anywhere in the world by providing or assisting through all the necessary support to help individuals be self-sufficient.

To advance in life and help young people through activities, training and support.

The relief of persons who are in conditions of need, hardship or distress, or who are aged or sick.

Our mission statement, which captures the essence of these aims is 'connecting anyone anywhere to a life-changing relationship with Jesus'.

Our main long term objectives are to:

Grow our current churches and begin new churches, developing and diversifying our approach. We want to strategically develop our staff and volunteer teams to support growth, especially in creating greater autonomy in local churches to serve and engage local community more. As has been our aim in recent years we desire to continue to increase digital ministries and broadcast capabilities, and increase engagement. Finally especially after the instability of COVID we continue to increase financial stability and strengthen financial planning.

We continue to foster strong relationships with churches around the world. During the reporting period we were maintaining close links with sister church communities in Europe, North America, East Africa, South Africa, India and Cambodia. We benefit greatly from these close partnerships, and offer help in a variety of ways, where beneficial.

Freedom Church relies heavily on the contribution of volunteers. Volunteers are involved in almost every aspect of the running of Freedom Church and the delivery of our services, other events and programmes. At least half of all church members volunteer at our events, or to support our staff team, and we are very grateful for their time, passion, and skills.

Core to our approach as a CIO is the objective of generating a public benefit. We continue to do this in all of the areas of our activity. The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The CIO complies with the Code of Fundraising Practice. It does not engage the services of professional fundraisers or commercial participators, and it has not received any complaints relating to fundraising.

The objective of our wholly-owned trading subsidiary, Wildfire (Hereford) Limited, is to generate the majority of the CIO's non-donation income (see Financial Review below). The income from this subsidiary is then used to support the CIO in fulfilling its own objectives and aims.

**FREEDOM CHURCH HEREFORD CIO**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**ACHIEVEMENT AND PERFORMANCE**

The 2022-23 year has been a welcome return to full strength ministry provisions across our locations. We are delighted that our church has managed to endure the uncertainty of the pandemic and this year has been a healthy transition into the next season. All of our UK locations have grown numerically in this past year with many more people engaged fully as we have been able to resume full activities. Though this resumption of full activities has meant a return to pre-pandemic expenditure we are delighted that all locations have sustained themselves financially as well.

The year saw the return of several fully unrestricted in-person events namely The Cave, Dauntless, The Horde and The Charge. The Cave happened in our Cardiff location for the final time prior to the end of the lease agreement. It was a sold-out event with many people grateful to be back to pre-pandemic activities. Dauntless and The Horde had the highest attendance since inception and The Charge was the highest attendance also. We continued to provide non-in person options for those unable to attend and invested financially in our broadcast quality.

Being back 'in the room' at these events highlighted several areas of growth. The growth in our young adults and youth ministries was tangible. A higher number of young people in attendance at all events was extremely satisfying. As part of one of our main objectives and in light of the challenges young people faced through COVID we are extremely happy to see this. Another area of growth was in the quality and competence of our technical teams in the area of broadcasting. The challenges of COVID created environments where volunteers were upskilled and the increased demand on broadcasting led to improvements and merited further investment in this year.

The investment into upgraded camera equipment, audio gear and training has been fantastic. The quality level has risen significantly. This has been particularly key for those who still access our church digitally and our firestarter initiative. Firestarter has grown throughout this year with six new firestarters launched in this financial year. The investment in equipment and training was also felt at the recording of our latest music album.

As part of our desire to further the Christian faith we see music as a key component. Having struggled to complete a new album in heavy restriction season of COVID the team wrote, recorded, post-produced and released a brand new album in this year. The live recording was well attended and the post-release stream numbers have been extremely encouraging. Reaching nearly 87,000 listeners, in 166 countries and almost 500,000 streams across all albums it has been a great success for our teams.

We have also invested in our podcast platform. Historically this has simply been a place to access an audio version of the Sunday messages, it is now a weekly interview with our pastors from across the church. The engagement has been really good and there are plans to do more within the coming years.

We chose to extend the break for our residential Academy one more year to September 2024. Though this has had an effect on rental income at The Forge site we felt it best to invest further in the course prior to the restart date. This investment has been in re-working the model, content and team. Our staff have made a number of connections with churches that do similar things to learn and develop our program. Additionally, with the increased engagement/attendance at a youth/young adult level we wanted to give that area of our ministries another year to grow. The focus of The Forge site has therefore been more temporary rental agreements and external bookings to accommodate for the income change.

The continued growth of one x one, especially with our Christmas fundraisers has been a great way to achieve some of our desire to help towards poverty relief. The team are looking to restructure in 2024 to amplify the impact of this part of what we do.

As 2022-23 has been a transitional year, one final area of shift has been in our staff team. Several staff members have been added to key areas of investment and development. Additionally some staff members have stepped out of role or have begun their transition out. All these transitions have been healthy and productive. It has allowed for a restructure in several departments which has streamlined certain things and been helpful in others. Some staff members who have moved on have been in position for some time so we have been careful to gain as much experience from them as possible. All remain part of our churches in voluntary roles which is a huge asset.

**FREEDOM CHURCH HEREFORD CIO**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**FINANCIAL REVIEW**

**Going concern**

As noted in the future plans section, basis of preparation and post balance sheet event note 28, the trustees have decided to decentralise and demerge into four charities representing each church. The going concern assessment has been completed on a standalone basis and the trustees are confident that this going concern basis is still relevant.

Based on current forecasts, we are confident that the CIO is a going concern. However, we recognise the challenging conditions in the UK economy which are represented in the cost-of-living crisis. The CIO has seen donations drop as the cost of living has increased. The charity has sought to protect surplus in past financial years, in part to protect against any drop in income and to cushion in the event of economic challenges. Budgets and spending will be governed by economic realities and we will continue to encourage contributions to the charity from our members.

The main sources of funding for Freedom Church are donations and, to a lesser extent, trading activities.

In the 2022-23 financial year, donation income was £752,447, which is a decrease of £81,476 on the previous year. Most of this is because of our Saltwinds donations, down from £36,646 in 21-22 to £6,681 in 22-23 year, a whole £30,000 less and the internal appeal donations down from £20,366 in 21-22 (all for the Studio renovations) to £2,248 in 22-23 (most for the Studio renovations), a decrease of £18,000. Donations to our general fund totalled £741,535 which is a decrease of £131,131 on the previous year.

On the advice of our accountant, Freedom Church continues to run a trading subsidiary for the majority of its non-donation income generating activities. The CIO owns and rents property that can be leased or rented to others, and these trading activities provide a valuable source of income. As a wholly-owned trading subsidiary, Wildfire (Hereford) Limited will continue to donate all of its profits to Freedom Church Hereford in the form of dividends. During this reporting period, total dividends paid totalled £49,528 up by £13,806 from last year.

Expenditure on facilities are still very high and have gone up slightly from £419,305 to £436,813.

As mentioned in the 21-22 report, we had carried out extensive repairs to the west wing of the Forge for flood damage. In total, we had received £91,460 from the insurance company and we have received another £30,291 in donations helping to cover the costs spent on the repairs.

We have one loan after consolidating all existing ones and this continues to be paid off by each location that has a split, the Forge, Hereford and Cardiff.

Renovations to our Hereford building have gone very well, mainly funded by donations from that location to help support the work. They have created a more welcoming building with greater space for kids and cafe areas which has been very beneficial with the growth in attendance we have seen in this location. A further £10,954 was spent on this work during the reporting period. This was financed by donations given specifically for this purpose, totalling £1,597, and through a rent reduction agreed with the landlord that is ongoing.

Cardiff had to leave their fixed venue at the end of December 2022, since then they have been meeting in locations where they have to set up and set down each event. They were in a music gigs venue but that was proving rather expensive and to help with funds in Cardiff they have now moved to Vue cinema in the city centre which is great for exposure. This venue works out cheaper while a more permanent location is found.

**FREEDOM CHURCH HEREFORD CIO**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

With the residential academy not happening again in the 22-23 year we have maximised the income by setting up short term rentals within the Forge and we have seen this grow month on month and assisted with the amount that Wildfire is sending in dividends.

We have continued to rent part of the Forge to non-academy tenants while it is not running, seeing a healthy £33,696 in this year, up by £9,356 from £24,340 last year. We also have a new Forge Facilities who is helping to increase the business in the Forge and hopes to restart weddings soon as a good income earner for our building.

Our firestarter expenditure increased £21,870. This increase was due to the rapid growth of Firestarter, with additional staff and contractor resources required for the production of content, and the reallocation of existing staff hours to oversee our Firestarter ministry as well as updating our broadcasting and production equipment to improve quality.

The value of the CIO's investment in Mentor Group Ltd, which is an unlisted company, was sold during the year.

The trustees apply the funds of Freedom Church Hereford at their discretion and in accordance with the charitable purposes and objectives of the CIO. Total spending on charitable activities was £1,174,513. Our grant-making policy outlines how grants may be made and the priorities for support. The current priorities for funding are the advancement of the Christian faith within local communities and across the world, and the relief of poverty within local communities and among the world's deprived and needy peoples. Recipients of grant funding in this financial year were two churches in Rwanda (Musanze and Bujumbura) and a Firestarter in Kampala.

#### **Reserves Policy**

The trustees of Freedom Church Hereford recognise the importance of a reserves policy to demonstrate good stewardship and financial management. Our policy is to retain reserves to ensure that the charity has sufficient funds to meet its financial commitments, to demonstrate that the charity is sustainable into the future, to ensure that the charity is able to manage future unforeseen financial difficulties, and to ensure that excessive funds are not held without any identifiable reason. The trustees consider that 6-12 months (£210,000 - £420,000) of free reserves is sufficient, although this figure is currently under review. £210,000 is approximately six months of staff and lease expenditure. The deficit of £169,115 (2022: surplus £112,939) means that the final free reserves are £356,593.

#### **FUTURE PLANS**

The CIO remains focused on developing our core activities which strengthen spiritual well-being, build caring and supportive communities, advance the Christian faith and develop leadership and ministry skills. We will also continue to navigate the impact of the current cost of living crisis on our organisation.

With effect from April 2024 the charity will decentralise into four UK churches, Hereford, Worcester, Cheltenham and Cardiff. Each church will be an independent charity with their own bank account, staff and trustees. There will then be a Global account and team for the management of activities of the group such as Cave, Firestarter, Horde, She, Saltwinds, etc.

**FREEDOM CHURCH HEREFORD CIO**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

Freedom Church Hereford, a Charitable Incorporated Organisation (CIO), is the registered vehicle for the movement of churches known as Freedom Church. On 1 July 2015, Freedom Church transferred its operations from the Freedom Church Hereford Charitable Trust (1008459) to the Freedom Church Hereford CIO (1161926). The CIO has adopted a foundation model constitution. This is the seventh annual report of the CIO. Trustees of Freedom Church Hereford are recruited and appointed from within the organisation's membership.

The board of trustees is focussed on ensuring that Freedom Church meets its aims in an appropriate, legal and accountable manner, and to this end the trustees provide governance oversight to the church's directional leadership team and directors, who in turn work with leaders across our locations and departments to meet our objectives. Trustees are recruited from the church's membership for an initial term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment, the trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. All new trustees are provided with the Charity Commission's guidance on the duties of a trustee, and the CIO has recently adopted the trustee recruitment process set out in the Trustee Recruitment Cycle from Reach Volunteering.

A large number of the decisions relating to the CIO are made by the directional leadership team and directors, but are subject to the accountability, approval and oversight of the board of trustees. The board of trustees makes all decisions relating to remuneration of our staff team and have benchmarked salaries against equivalent roles in other sectors. At present, the CIO is working to implement a pay increase proposal for all staff put forward by the trustees in 2015 that was not possible at the time due to financial constraints. This plan is designed to see pay increase to the level proposed by the trustees by April 2024, taking into account inflation, although it is subject to review every year. We weren't able to make the full increase in April 2023 due to recent increases in the rate of inflation but this is being re-assessed this year to see how we can make it happen by April 2024.

While many risks are carefully managed, the trustees recognise the need for a comprehensive risk management strategy. In September 2021, having studied the Charity Commission's guidance, and with the help of resources from Stewardship, the trustees agreed that the CIO's risk management policy should be updated, and a detailed risk register should be prepared for annual review. This risk register is intended to summarise current known and managed risks, and reveal areas that require additional attention. The project is ongoing, and the trustees anticipate that the full risk register, recording residual risk, actions, owners and timeframes, will be ready in the first half of 2024.

As mentioned in our last report we continued our investment in safeguarding as physical gatherings resumed following the easing of lockdown restrictions. Our team has worked with a professional organisation to complete an extensive review of our safeguarding policies, procedures and training. We have sought to increase the profile of safeguarding across our locations, and as a result have seen an increased number of referrals, most of which were related to external events.

**Recruitment and appointment of new trustees**

Trustees are recruited from the church's membership, with consideration being made of their relevant professional experience.

**Induction and training of new trustees**

All new trustees are provided with the Charity Commission's guidance on the duties of a trustee.

**Key management remuneration**

The board of trustees makes all decisions relating to remuneration of our staff team and have benchmarked salaries against equivalent roles in other sectors.

**FREEDOM CHURCH HEREFORD CIO**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**Financial instruments**

**Objectives and policies**

The CIO's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the CIO's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The CIO does not use derivative financial instruments for speculative purposes.

**Credit risk**

The CIO's principal financial assets are bank balances and cash, trade and other receivables, and investments. The CIO's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The CIO has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

**Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the CIO uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the statement of accounting policies in the financial statements.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

1161926

**Principal address**

The Forge

161 Holme Lacy Road

Hereford

Herefordshire

HR2 6DG



**FREEDOM CHURCH HEREFORD CIO**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2023**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- \* select suitable accounting policies and then apply them consistently;
- \* observe the methods and principles in the Charity 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;
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 trust deed. 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.

**Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the CIO's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

**Reappointment of auditor**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Moore as auditors of the CIO is to be proposed at the forthcoming trustee meeting.

Approved by order of the board of trustees on \_\_\_\_ and signed on its behalf by:

Mr R Sallis - Trustee



\_\_\_\_\_  
Ryan Sallis (Jan 31, 2024 13:42 GMT)

Mr J Dyson - Trustee



\_\_\_\_\_  
James Dyson (Jan 31, 2024 19:12 GMT)

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FREEDOM CHURCH HEREFORD CIO (THE PARENT ORGANISATION) AND ITS SUBSIDIARY**

**Opinion**

We have audited the financial statements of Freedom Church Hereford CIO (the 'charity') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and 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 (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 the parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, 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 Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Emphasis of Matter**

We draw attention to Note 2 to the financial statements which describes events subsequent to the year-end relating to a matter that is considered fundamental to the user's understanding of the financial statements. Our opinion is not modified in respect of this matter.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 financial statements or a material misstatement of 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- \* the information given in the Trustees' Report is inconsistent in any material respect with the financial statements ; or
- \* sufficient accounting records have not been kept; or
- \* the financial statements are not in agreement with the accounting records and returns; or
- \* we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**FREEDOM CHURCH HEREFORD CIO**

**Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

**Extent to which the audit considered capable of detecting irregularities, including fraud**

- \* 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.
- \* We considered the nature of the Charity and its control environment and reviewed the Charity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We are enquired of management about their own identification and assessment of the risks of irregularities.
- \* We obtained an understanding of the legal and regulatory framework that the Charity operates in and identified the key laws and regulations that:
  - \* had a direct effect on the determination of the material amounts and disclosures in the financial statements. These included UK Charities Act, pensions legislations, tax legislations, Charities SORP; and
  - \* do not have a direct effect on the financial statements, but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty.
- \* We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud, and how and where fraud might occur in the financial statements.
- \* In common with all audits under the ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.
- \* In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- \* In addition to the above, our procedures to respond to the risks identified included the following:
  - \* reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having direct effect on the financial statements;
  - \* Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
  - \* Enquiring of management, concerning actual and potential litigation and claims, and instances of non-compliances with laws and regulations; and
  - \* Reading minutes of meetings of those charged with governance.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**FREEDOM CHURCH HEREFORD CIO**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore*

Moore Chartered Accountants and Statutory Auditor  
30 Gay Street  
Bath  
BA1 2PA

Date: 1 / 2 / 2024

**FREEDOM CHURCH HEREFORD CIO**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND**  
**EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023**

				31.03.23	31.03.22
		Unrestricted	Restricted	Total	Total
		fund	fund	funds	funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	868,666	11,788	880,454	937,256
<b>Charitable activities</b>	6	41,829	-	41,829	75,233
Other trading activities	4	102,872	-	102,872	67,176
Investment income	5	34,223	-	34,223	24,352
Other income	7	14,133	-	14,133	82,649
<b>Total</b>		<b>1,061,723</b>	<b>11,788</b>	<b>1,073,511</b>	<b>1,186,666</b>
<b>EXPENDITURE ON</b>					
Raising funds	8	523	-	523	2,411
Charitable activities	9	1,161,882	12,631	1,174,513	1,069,630
<b>Total</b>		<b>1,162,405</b>	<b>12,631</b>	<b>1,175,036</b>	<b>1,072,041</b>
Net gains/(losses) on investments	17	(490)	-	(490)	(1,686)
Net gains/(losses) on freehold property revaluation	16	(67,100)	-	(67,100)	-
<b>NET INCOME/(EXPENDITURE)</b>		<b>(168,272)</b>	<b>(843)</b>	<b>(169,115)</b>	<b>112,939</b>
<b>Transfers between funds</b>		<b>(7,468)</b>	<b>7,468</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(175,740)</b>	<b>6,625</b>	<b>(169,115)</b>	<b>112,939</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>1,353,122</b>	<b>26,711</b>	<b>1,379,833</b>	<b>1,266,894</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,177,382</b>	<b>33,336</b>	<b>1,210,718</b>	<b>1,379,833</b>

The notes form part of these financial statements

**FREEDOM CHURCH HEREFORD CIO**  
**CONSOLIDATED AND CHARITY BALANCE SHEETS**  
**AT 31 MARCH 2023**

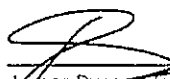
	Notes			31.03.23	31.03.22			31.03.23	31.03.22
		Unrestricted fund	Restricted fund	Total funds	Total funds	Unrestricted fund	Restricted fund	Total funds	Total funds
		£	£	£	£	£	£	£	£
<b>FIXED ASSETS</b>									
Tangible assets	16	634,919	6,276	641,195	1,569,059	634,799	6,276	641,075	1,568,909
Investments	17/30	803	-	803	24,871	903	-	903	24,971
Investment Property	18	884,500	-	884,500	-	884,500	-	884,500	-
		<u>1,520,222</u>	<u>6,276</u>	<u>1,526,498</u>	<u>1,593,930</u>	<u>1,520,202</u>	<u>6,276</u>	<u>1,526,478</u>	<u>1,593,880</u>
<b>CURRENT ASSETS</b>									
Debtors	19	75,015	264	75,279	120,411	62,808	264	63,072	115,040
Cash at bank and in hand		308,146	26,826	334,972	295,299	271,948	26,826	298,774	254,260
		<u>383,161</u>	<u>27,090</u>	<u>410,251</u>	<u>415,710</u>	<u>334,756</u>	<u>27,090</u>	<u>361,846</u>	<u>369,300</u>
<b>CREDITORS</b>									
Amount falling due within one year	20	(113,103)	(30)	(113,133)	(126,000)	(98,349)	(30)	(98,379)	(112,693)
<b>NET CURRENT ASSETS</b>		<u>270,058</u>	<u>27,060</u>	<u>297,118</u>	<u>289,710</u>	<u>236,407</u>	<u>27,060</u>	<u>263,467</u>	<u>256,607</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,790,280</u>	<u>33,336</u>	<u>1,823,616</u>	<u>1,883,640</u>	<u>1,756,609</u>	<u>33,336</u>	<u>1,789,945</u>	<u>1,850,487</u>
<b>CREDITORS</b>									
Amount falling due after more than one year.	21	(612,898)	-	(612,898)	(503,807)	(612,898)	-	(612,898)	(503,807)
<b>NET ASSETS/(LIABILITIES)</b>		<u>1,177,382</u>	<u>33,336</u>	<u>1,210,718</u>	<u>1,379,833</u>	<u>1,143,711</u>	<u>33,336</u>	<u>1,177,047</u>	<u>1,346,680</u>
<b>FUNDS</b>									
Unrestricted funds	23			1,026,721	1,135,361			993,050	1,102,208
Revaluation reserve				150,661	217,761			150,661	217,761
Restricted funds				33,336	26,711			33,336	26,711
				<u>1,210,718</u>	<u>1,379,833</u>			<u>1,177,047</u>	<u>1,346,680</u>

The financial statements were approved by the Board of Trustees on \_\_ and were signed on its behalf by:

Mr R Sallis - Trustee



Mr J Dyson - Trustee



James Dyson (Jan 31, 2024 22:58 GMT)

**FREEDOM CHURCH HEREFORD CIO**

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	31.03.23 £	31.03.22 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(15,897)	158,684
Interest paid		(30,326)	(19,204)
<b>Net cash provided by (used in) operating activities</b>		<b>(46,223)</b>	<b>139,480</b>
<b>Cash flows from investing activities:</b>			
Purchase of tangible assets		(45,308)	(127,794)
Sale of tangible fixed assets		768	200
Disposal of investments		23,577	-
Interest received		526	12
<b>Net cash provided by (used in) investing activities</b>		<b>(20,437)</b>	<b>(127,582)</b>
<b>Cash flows from financing activities:</b>			
New Loans in year		154,300	539,374
Loan repayments in year		(47,967)	(561,269)
<b>Net cash provided by (used in) financing activities</b>		<b>106,333</b>	<b>(21,895)</b>
<b>Other adjustment</b>			
<b>Change in cash and cash equivalents in the reporting period</b>		<b>39,673</b>	<b>(9,997)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>295,299</b>	<b>305,296</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>334,972</b>	<b>295,299</b>

The notes form part of these financial statements

**FREEDOM CHURCH HEREFORD CIO**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.03.23	31.03.22
	£	£
Net income/(expenditure) for the reporting period (as per statement of financial activities)	(169,115)	112,939
Adjustments for:		
Depreciation charges	21,265	19,149
Loss on investments disposals	490	1,687
(Profit)/Loss on disposal of fixed assets	(460)	2,893
Interest received	(526)	(12)
Interest paid	30,326	19,204
Decrease/(Increase) in debtors	45,132	(51,635)
(Decrease)/increase in creditors	(10,109)	54,459
Impairment of investment property	67,100	-
	<hr/>	<hr/>
Net cash provided by (used in ) operating activities	(15,897)	158,684
	<hr/>	<hr/>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	31.03.23	31.03.22
	£	£
Cash in hand	967	1,323
Notice deposits (less than 3 months)	334,005	293,976
Overdrafts included in bank loans and overdrafts falling due within one year	-	-
	<hr/>	<hr/>
	334,972	295,299
	<hr/>	<hr/>



**FREEDOM CHURCH (HEREFORD) CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

## **1 CHARITY STATUS**

The charity is a Charitable Incorporated Organisation.

The presentation currency for the reporting entity is Great British Pounds (GBP).

## **2 ACCOUNTING POLICIES**

### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Freedom Church Hereford CIO meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling which is the functional currency of the charity. Comparative information relates to the year ended 31 March 2022.

### **Going Concern**

The trustees have decided from April 2024 to decentralise operations and demerge into four charities, representing each church. A going concern assessment has been completed on a standalone basis for the continuing operations of Hereford and the trustees are confident that this going concern basis is still relevant.

We recognise the challenging conditions in the UK economy which are represented in the cost-of-living crisis. The CIO has seen donations drop as the cost of living has increased. The charity has sought to protect surplus in past financial years, in part to protect against any drop in income and to cushion in the event of economic challenges. Budgets and spending will be governed by economic realities and we will continue to encourage contributions to the charity from our members.

However, based on the current performance and forecasting, we are confident that the CIO is a going concern and can continue to meet its obligations as they fall due for a period of at least 12 months from the approval of these financial statements.

### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **Group financial statements**

The financial statements consolidate the results of the Charity and its wholly owned subsidiary Wildfire (Hereford) Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

### **Raising funds**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

**FREEDOM CHURCH HEREFORD CIO**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**2 ACCOUNTING POLICIES - continued**

**Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

**Tangible fixed assets - capitalisation**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-Nil
Improvements to property	-33% on cost
Fixtures and fittings	-20% on reducing balance
Motor vehicles	-25% on reducing balance
Computer/PA equipment	-33% on cost

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Freehold property is recorded at fair value.

**Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Fund structure**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds 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.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**FREEDOM CHURCH (HEREFORD) CIO**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**2 ACCOUNTING POLICIES - continued**

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Financial instruments**

**Classification**

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

**Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**FREEDOM CHURCH HEREFORD CIO**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**2 ACCOUNTING POLICIES - continued**

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Debt instruments**

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

**Investments**

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

**FREEDOM CHURCH HEREFORD CIO**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**3 DONATIONS AND LEGACIES**

			31.03.23	31.03.22
	General	Restricted	Total	
			£	£
Donations	741,535	10,912	752,447	833,923
Gift Aid	127,131	876	128,007	103,333
	<u>868,666</u>	<u>11,788</u>	<u>880,454</u>	<u>937,256</u>

**4 OTHER TRADING ACTIVITIES**

	31.03.23	31.03.22
	£	£
Café income	3,776	2,478
Media production	3,024	4,672
Events & conferencing	96,072	60,026
	<u>102,872</u>	<u>67,176</u>

**5 INVESTMENT INCOME**

	31.03.23	31.03.22
	£	£
Rents received	33,696	24,340
Interest receivable-trading	526	12
	<u>34,223</u>	<u>24,352</u>

**6 INCOME FROM CHARITABLE ACTIVITIES**

		31.03.23	31.03.22
	Activity	£	£
Academy income	Academy	22,926	38,014
Academy rental income	Facilities	12,063	31,909
Academy income	Firestarter	6,840	5,310
		<u>41,829</u>	<u>75,233</u>

**7 OTHER INCOME**

	31.03.23	31.03.22
	£	£
Small equipment sales	1,071	-
Insurance claims	-	52,732
Coaching income	5,370	5,695
Reimbursements	7,692	24,222
	<u>14,133</u>	<u>82,649</u>

**FREEDOM CHURCH HEREFORD CIO**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**8 RAISING FUNDS**

Other trading activities

	31.03.23	31.03.22
	£	£
Purchases	523	2,411

**9 CHARITABLE ACTIVITIES COSTS**

	Direct costs	Grant funding of activities (see note 10)	Support costs (see note 11)	31.03.23 Totals	31.03.22 Totals
	£		£	£	£
Media	68,100	-	666	68,766	70,766
International support	-	-	686	686	-
Academy	25,119	-	719	25,838	29,393
Worship	16,849	-	1,243	18,092	4,366
Heroes	-	-	3,768	3,768	10,076
Ark	-	-	5,583	5,583	6,922
Events	44,570	-	2,562	47,133	33,453
Guest Services	380	-	-	380	8,664
Facilities	436,813	-	181	436,994	419,305
Directional Leadership Team	137,476	-	3,481	140,957	148,861
Finance	67,736	840	19,801	88,377	69,238
Human Resources	294	-	1,522	1,816	1,698
International	-	-	-	-	18,404
IT	27,515	-	2,198	29,713	28,209
Kids	31,901	-	3	31,904	27,162
Location(s)	131,715	7,500	1,072	140,287	116,342
Next steps	215	-	-	215	7,478
Office	4,716	-	-	4,716	2,584
Production	16,287	-	1,642	17,929	17,132
Zeal	14,936	-	116	15,052	5,710
Momentum	153	-	133	286	5,466
Firestarter	40,835	2,000	1,727	44,562	22,692
Everyone Matters Fund	-	-	-	-	257
Saltwinds	3,035	-	193	3,228	11,323
She	15,129	-	407	15,536	-
Tribe	2,397	-	32	2,429	-
Barbarians	10,994	-	281	11,275	-
Other	18,991	-	-	18,991	4,129
	<u>1,116,156</u>	<u>10,340</u>	<u>48,016</u>	<u>1,174,513</u>	<u>1,069,630</u>

**FREEDOM CHURCH HEREFORD CIO**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**10 GRANTS PAYABLE**

	31.03.23	31.03.22
Finance	840	-
International	-	17,908
Location(s)	7,500	1,728
Firestarter	2,000	-
	<u>10,340</u>	<u>19,636</u>

Grants are paid to churches that the Charity have helped to establish at the discretion of the trustees.  
The funds paid are used to further the charitable objectives of the Charity.

Due to their nature, there are no criteria for repayment.

**11 SUPPORT COSTS**

	Finance	Information technology	Governance costs	31.03.23 Totals	31.03.22 Totals
	£	£	£	£	£
Media	168	498	-	666	340
International Support	686	-	-	686	-
Academy	567	152	-	719	651
Worship	(21)	1,264	-	1,243	1,748
Heroes	3,768	-	-	3,768	2,761
Ark	62	5,522	-	5,584	6,843
Events	1,992	569	-	2,561	2,967
Guest Services	-	-	-	-	25
Facilities	200	-	(19)	181	15,374
Directional Leadership Team	299	-	3,182	3,481	6,206
Finance	(1,742)	1,324	20,219	19,801	10,962
Human Resources	-	922	600	1,522	1,517
International	-	-	-	-	496
IT	5	2,193	-	2,198	2,080
Kids	3	-	-	3	25
Location(s)	638	434	-	1,072	564
Production	-	1,642	-	1,642	478
Zeal	116	-	-	116	13
Momentum	65	68	-	133	307
Firestarter	1,190	537	-	1,727	1,217
Saltwinds	193	-	-	193	595
She	407	-	-	407	-
Tribe	32	-	-	32	-
Barbarians	281	-	-	281	-
	<u>8,909</u>	<u>15,125</u>	<u>23,982</u>	<u>48,016</u>	<u>55,169</u>

**FREEDOM CHURCH HEREFORD CIO**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**12 AUDITORS' REMUNERATION**

	31.03.23	31.03.22
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>9,750</u>	<u>7,000</u>

**13 TRUSTEES' REMUNERATION AND BENEFITS**

No remuneration or benefits were paid to trustees during the year (2022 : £Nil).

**14 STAFF COSTS**

	31.03.23	31.03.22
	£	£
Wages and salaries	369,460	366,658
Social security costs	19,977	19,043
Other pension costs	10,067	9,530
	<u>399,504</u>	<u>395,231</u>

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

	31.03.23	31.03.22
Staff		
Academy	3	5
DLT	5	5
Events	4	4
Facilities	3	3
Finance	2	3
Kids	2	2
Location	6	6
Media	2	1
Firestarter	2	-
Next Steps	1	-
	<u>30</u>	<u>29</u>

No employees received emoluments in excess of £60,000

Total remuneration paid to the 4 key management personnel was £120,747 (2022: £120,447), including employers NI and pension contributions.

No benefits in kind were paid to any employees.



**FREEDOM CHURCH HEREFORD CIO**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**15 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	872,666	64,590	937,256
<b>Charitable activities</b>			
Funding for the academy's educational operations	38,014	-	38,014
Facilities	31,909	-	31,909
Firestarter	5,310	-	5,310
Other trading activities	67,176	-	67,176
Investment income	24,352	-	24,352
Other income	82,649	-	82,649
<b>Total</b>	<b>1,122,076</b>	<b>64,590</b>	<b>1,186,666</b>
<b>EXPENDITURE ON</b>			
Raising funds	2,411	-	2,411
<b>Charitable activities</b>			
Media	70,766	-	70,766
Academy	29,393	-	29,393
Worship	4,366	-	4,366
Heroes	-	10,076	10,076
Ark	2,358	4,564	6,922
Events	33,453	-	33,453
Guest services	8,664	-	8,664
Facilities	396,360	22,945	419,305
Directional Leadership Team	148,861	-	148,861
Finance	69,238	-	69,238
Human Resources	1,698	-	1,698
International	18,404	-	18,404
IT	28,209	-	28,209
Kids	27,162	-	27,162
Location(s)	116,342	-	116,342
Next Steps	7,478	-	7,478
Office	2,584	-	2,584
Production	17,132	-	17,132
Zeal	5,710	-	5,710
Momentum	5,466	-	5,466
Firestarter	22,692	-	22,692
Everyon Matters Fund	-	257	257
Saltwinds	638	10,685	11,323
Other	3,554	575	4,129
	<b>1,022,939</b>	<b>49,102</b>	<b>1,072,041</b>
Net gains/(losses) on investments	(1,686)	-	(1,686)
<b>NET INCOME/(EXPENDITURE)</b>	<b>97,451</b>	<b>15,488</b>	<b>112,939</b>
Transfers between funds	1,326,711	(1,326,711)	-
<b>Net movement in funds</b>	<b>1,424,162</b>	<b>(1,311,223)</b>	<b>112,939</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	(71,041)	1,337,935	1,266,894
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>1,353,121</b>	<b>26,712</b>	<b>1,379,833</b>

**FREEDOM CHURCH HEREFORD CIO**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**16 GROUP TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST/FAIR VALUE</b>			
At 1 April 2022	1,517,101	280,286	4,250
Additions	-	-	-
Disposals	-	-	-
Revaluations	(67,100)	-	-
Reclassification	(884,500)	-	-
At 31 March 2023	565,501	280,286	4,250
<b>DEPRECIATION</b>			
At 1 April 2022	-	280,286	2,661
Charge for year	-	-	390
Eliminated on disposal	-	-	-
At 31 March 2023	-	280,286	3,051
<b>NET BOOK VALUE</b>			
At 31 March 2023	565,501	-	1,199
At 31 March 2022	1,517,101	-	1,589

	Fixtures and fittings £	Motor Vehicles £	Computer/PA equipment £	Totals £
<b>COST</b>				
At 1 April 2022	76,028	2,564	197,519	2,077,748
Additions	6,433	-	38,875	45,308
Disposals	-	-	(1,853)	(1,853)
Revaluations	-	-	-	(67,100)
Reclassification	-	-	-	(884,500)
At 31 March 2023	82,461	2,564	234,541	1,169,603
<b>DEPRECIATION</b>				
At 1 April 2022	51,632	1,640	172,469	508,688
Charge for year	5,847	231	14,798	21,265
Eliminated on disposal	-	-	(1,545)	(1,545)
At 31 March 2023	57,479	1,871	185,721	528,408
<b>NET BOOK VALUE</b>				
At 31 March 2023	24,982	693	48,820	641,195
At 31 March 2022	24,396	924	25,050	1,569,060

The Freehold property is accounted for as at fair value. The latest formal valuation for the property was at 31/3/23 by independent valuers, Sunderlands LLP. During the year, the Trustees reassessed usage of the freehold property 'The Forge' due to a large percentage of rental use. As part of the valuation the property percentage mostly used for rental was identified. Under FRS102, the percentage area of a property used for rental should be classified as an investment property. Accordingly, 61% of the property value has been reclassified to investment property.

**FREEDOM CHURCH HERFORD CIO**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**17 FIXED ASSET INVESTMENTS**

Group	Unlisted investments £	Totals £
<b>MARKET VALUE</b>		
At 1 April 2022	24,871	24,871
Disposals	(23,578)	(23,578)
Revaluations	(490)	(490)
At 31 March 2023	803	803
<b>NET BOOK VALUE</b>		
At 31 March 2023	803	803
At 31 March 2022	24,871	24,871

There were no investment assets outside the UK.  
The investment in Mentor Group was disposed of for £Nil gain/loss.  
The remaining amount represents liquid holdings in a Hargreaves Lansdown account.

Charity only  
In addition to the above, the charity owns 100% of the share capital in Wildfire (Hereford) Limited representing £100 investment. See note 31 for more details.

**18 INVESTMENT PROPERTY**

	£
<b>FAIR VALUE</b>	
Reclassification	884,500
At 31 March 2023	884,500
<b>NET BOOK VALUE</b>	
At 31 March 2023	884,500
At 31 March 2022	-

See note 16 for details on reclassification.

**19 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Charity Only	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Trade debtors	44,451	66,219	32,182	60,848
Other debtors (including intercompany)	1,209	451	1,271	451
Prepayments and accrued income	29,619	53,741	29,619	53,741
	<u>75,279</u>	<u>120,411</u>	<u>63,072</u>	<u>115,040</u>

**20 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Charity Only	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Bank loans and overdrafts (see note 22)	16,313	19,071	16,313	19,071
Trade creditors	30,564	58,234	28,703	57,356
Other creditors	348	1,165	76	76
Pension payable	2,104	2,107	2,104	2,107
Credit Card	15,298	7,336	15,298	7,336
Accruals and deferred income	47,226	38,087	35,885	26,747
VAT	1,240	-	-	-
	<u>113,133</u>	<u>126,000</u>	<u>98,379</u>	<u>112,693</u>

**21 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Bank loans (see note 22)	<u>612,898</u>	<u>503,807</u>	<u>612,898</u>	<u>503,807</u>

The creditors for more than one year showing on the balance sheet consists of a bank loan with the following terms:

Repayment period	240 months from first drawdown
Interest rate	3.67% above base

**FREEDOM CHURCH HEREFORD CIO**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**22 LOANS**

An analysis of the maturity of loans is given below:

	31.03.23	31.03.22
	£	£
Amounts falling due within one year on demand:		
Bank loans	16,313	19,071
Amounts falling between one and two years:		
Bank loans - 1-2 years	17,653	19,802
Amounts falling due between two and five years:		
Bank loans - 2-5 years	62,143	64,081
Amounts falling due in more than five years:		
Bank loans - more than 5 years	533,102	419,924

**23 LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.03.23	31.03.22
	£	£
Within one year	39,453	71,039
Between one and five years	60,000	91,058
	99,453	162,097

**24 SECURED DEBTS**

The following secured debts are included within creditors:

	31.03.23	31.03.22
	£	£
Bank loans	629,211	522,878
	629,211	522,878

All bank loans are secured against The Forge, 161 Holme Lacy Road, Hereford, HR2 6DG

**FREEDOM CHURCH HEREFORD CIO**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**25 MOVEMENT IN FUNDS**

Group	At 01.04.22 £	Net movement in funds £	Transfers between funds £	At 31.03.23 £
<b>Unrestricted funds</b>				
General fund	26,413	(101,172)	431,352	356,593
The Forge	1,108,948	-	(438,820)	670,128
Revaluation Reserve	217,761	(67,100)		150,661
	<u>1,353,122</u>	<u>(168,272)</u>	<u>(7,468)</u>	<u>1,177,382</u>
<b>Restricted funds</b>				
Heros	-	(3,768)	3,768	-
Ark	-	(3,700)	3,700	-
Saltwinds	26,711	3,454	-	30,165
Other	-	3,171	-	3,171
	<u>26,711</u>	<u>(843)</u>	<u>7,468</u>	<u>33,336</u>
<b>TOTAL FUNDS</b>	<u>1,379,833</u>	<u>(169,115)</u>	<u>-</u>	<u>1,210,718</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses	Movement in funds £
<b>Unrestricted funds</b>				
General fund	1,061,723	(1,162,405)	(490)	(101,172)
The Forge	-	-		-
Revaluation Reserve			(67,100)	(67,100)
	<u>1,061,723</u>	<u>(1,162,405)</u>	<u>(67,590)</u>	<u>(168,272)</u>
<b>Restricted funds</b>				
Heros	-	(3,768)	-	(3,768)
Ark	1,883	(5,583)	-	(3,700)
Saltwinds	6,682	(3,228)	-	3,454
Other	3,223	(52)	-	3,171
	<u>11,788</u>	<u>(12,631)</u>	<u>-</u>	<u>(843)</u>
<b>TOTAL FUNDS</b>	<u>1,073,511</u>	<u>(1,175,036)</u>	<u>(67,590)</u>	<u>(169,115)</u>

Charity	At 01.04.22 £	Net movement in funds £	Transfers between funds £	At 31.03.23 £
<b>Unrestricted funds</b>				
General fund	(6,740)	(101,690)	431,352	322,922
The Forge	1,108,948	-	(438,820)	670,128
Revaluation Reserve	217,761	(67,100)		150,661
	<u>1,319,969</u>	<u>(168,790)</u>	<u>(7,468)</u>	<u>1,143,711</u>
<b>Restricted funds</b>				
Heros	-	(3,768)	3,768	-
Ark	-	(3,700)	3,700	-
Saltwinds	26,711	3,454	-	30,165
Other	-	3,171	-	3,171
	<u>26,711</u>	<u>(843)</u>	<u>7,468</u>	<u>33,336</u>
<b>TOTAL FUNDS</b>	<u>1,346,680</u>	<u>(169,633)</u>	<u>-</u>	<u>1,177,047</u>

**FREEDOM CHURCH HEREFORD CIO**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**25 MOVEMENT IN FUNDS - continued**

**Charity**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses	Movement in funds £
<b>Unrestricted funds</b>				
General fund	1,055,919	(1,157,119)	(490)	(101,690)
The Forge	-	-	-	-
Revaluation Reserve	-	-	(67,100)	(67,100)
	<u>1,055,919</u>	<u>(1,157,119)</u>	<u>(67,590)</u>	<u>(168,790)</u>
<b>Restricted funds</b>				
Heros	-	(3,768)	-	(3,768)
Ark	1,883	(5,583)	-	(3,700)
Saltwinds	6,682	(3,228)	-	3,454
Other	3,223	(52)	-	3,171
	<u>11,788</u>	<u>(12,631)</u>	<u>-</u>	<u>(843)</u>
<b>TOTAL FUNDS</b>	<u>1,067,707</u>	<u>(1,169,750)</u>	<u>(67,590)</u>	<u>(169,633)</u>

**Comparatives for movement in funds**

Group	As restated At 01.04.21 £	Net movement in funds £	At 31.03.22 £
<b>Unrestricted funds</b>			
General fund	(71,041)	97,451	26,410
The Forge	-	1,108,948	1,108,948
Revaluation Reserve	-	217,763	217,763
	<u>(71,041)</u>	<u>1,424,162</u>	<u>1,353,121</u>
<b>Restricted funds</b>			
Ark	2,176	(2,176)	-
Freedom Heroes	8,790	(8,790)	-
Saltwinds	-	26,712	26,712
Everyone Matters	258	(258)	-
The Forge	1,108,948	(1,108,948)	-
Revaluation Reserve	217,763	(217,763)	-
	<u>1,337,935</u>	<u>(1,311,223)</u>	<u>26,712</u>
<b>TOTAL FUNDS</b>	<u>1,266,894</u>	<u>112,939</u>	<u>1,379,833</u>

**FREEDOM CHURCH HEREFORD CIO**

**NOTES TO THE FINANCIAL STATEMENT - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**25 MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses	Transfers	Movement in funds £
<b>Unrestricted funds</b>					
General fund	1,122,076	(1,022,939)	(1,686)	-	97,451
The Forge	-	-	-	1,108,948	1,108,948
Revaluation Reserve	-	-	-	217,763	217,763
	<u>1,122,076</u>	<u>(1,022,939)</u>	<u>(1,686)</u>	<u>1,326,711</u>	<u>1,424,162</u>
<b>Restricted funds</b>					
Ark	2,388	(4,564)	-	-	(2,176)
Onoxone	575	(575)	-	-	-
Freedom Heroes	1,286	(10,076)	-	-	(8,790)
The Studio	22,945	(22,945)	-	-	-
Saltwinds	37,396	(10,684)	-	-	26,712
Everyone Matters	-	(258)	-	-	(258)
The Forge	-	-	-	(1,108,948)	(1,108,948)
Revaluation Reserve	-	-	-	(217,763)	(217,763)
	<u>64,590</u>	<u>(49,102)</u>	<u>-</u>	<u>(1,326,711)</u>	<u>(1,311,223)</u>
<b>TOTAL FUNDS</b>	<u>1,186,666</u>	<u>(1,072,041)</u>	<u>(1,686)</u>	<u>-</u>	<u>112,939</u>

**26 EMPLOYEE BENEFIT OBLIGATIONS**

Within the Statement of Financial Activities is an expense of £10,067 (2022: £9,530) which relates to Defined Contribution Pension Plan contributions.

This expense is allocated to the relevant charitable activity based on the employee's department within the Charity.

Both the expense and the liability for the plans are accounted for within the unrestricted fund.

**27 OTHER FINANCIAL COMMITMENTS**

At the Balance Sheet date, there were no capital commitments that Freedom Church had entered into for the future year.

**28 POST BALANCE SHEET EVENTS**

With effect from April 2024 the charity will decentralise into four UK churches, Hereford, Worcester, Cheltenham and Cardiff. Each church will be an independent charity with their own bank account, staff and trustees. There will then be a Global account and team for the management of activities of the group such as Cave, Firestarter, Horde, She, Saltwinds, etc.

The split of assets will be treated as a gift to the newly formed charities. Freedom Church Hereford will then operate as a stand alone charity. As part of the demerger, the going concern of Freedom Church Hereford has been assessed and the Trustees are comfortable that Freedom Church Hereford basis of preparation is still appropriate.

**FREEDOM CHURCH HEREFORD CIO**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**29 RELATED PARTY DISCLOSURES**

During the year the charity made the following related party transactions:

**Josh Cooke**

Husband of trustee, Megan Cooke

Josh Cooke was paid expenses of £215 (2022: £Nil) during the financial year. At the balance sheet date, the amount owed to Josh Cooke was £Nil (2022: £Nil)

**Emily Rattenbury**

Wife of trustee, Andrew Rattenbury

Emily Rattenbury was paid expenses of £41 (2022: £Nil) during the financial year. At the balance sheet date, the amount owed to Emily Rattenbury was £Nil (2022: £Nil)

**Charlotte Snowzell**

Daughter-in-law of Senior Pastor, Gary Snowzell

Charlotte Snowzell was paid expenses of £105 (2022: £109) during the financial year. At the balance sheet date there was an amount of £Nil (2022: £Nil) owed to Freedom Church

**Karin Cooke**

Mother-in-law of trustee, Megan Cooke

Karin Cooke was paid expenses of £1,829 (2022: £472) during the financial year. At the balance sheet date, the amount owed to Karin Cooke was £Nil (2022: £Nil)

**Sian Vermaut**

Sister-in-law of trustee, Megan Cooke

Sian Vermaut was paid expenses of £68 (2022: £436) during the financial year. At the balance sheet date, the amount owed to Sian Vermaut was £Nil (2022: £Nil)

**Surch - Robert Snowzell**

Father of Pastor Gary Snowzell

Surch were paid £2,400 (2022: £2,400) for services provided during the financial year. At the balance sheet date, the amount of £Nil (2022: -£Nil) was owed to Surch

**Communion Architects - Alex Coppock**

Brother of Executive Pastor, Kris Coppock

Communion Limited were paid £Nil (2022: £2,327) for services provided during the financial year. At the balance sheet date, the amount of £Nil (2022: £Nil) was owed to Communion Limited



**FREEDOM CHURCH HEREFORD CIO**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**30 TAXATION**

The charity is a registered charity and is therefore exempt from taxation.

**31 DETAILS OF SUBSIDIARY UNDERTAKINGS**

Details of the investments are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Wildfire (Hereford) Ltd Company no: 10371625	England	Ordinary	100%	Events
<b><u>Subsidiary Balance Sheet summary</u></b>				
			<b>31.03.2023</b> £	<b>31.03.2022</b> £
TOTAL ASSETS			48,663	54,421
TOTAL LIABILITIES			14,894	21,169
CAPITAL & RESERVES			33,769	33,252
<b><u>Subsidiary Profit &amp; Loss summary</u></b>				
			<b>31.03.2023</b> £	<b>31.03.2022</b> £
TURNOVER			55,330	42,301
PROFIT FOR THE FINANCIAL YEAR			50,045	40,492

**32 RESTRICTED FUND INCOME BREAKDOWN**

	<b>31.03.2023</b> £	<b>31.03.2022</b> £
Donations	10,912	60,957
Gift Aid	876	3,633
	<u>11,788</u>	<u>64,590</u>