

**Harnhill Centre of Christian
Healing**

**Report and
Accounts**

31 December 2020

Charity Registration Number
1176053

Contents

Reports

Reference and administrative details of the charity, its trustees and advisors	1
Trustee's report	2
Independent auditor's report	19

Accounts

Statement of financial activities	24
Balance sheet	25
Statement of cash flows	26
Principal accounting policies	27
Notes to the accounts	32

Reference and administrative details of the charity, its trustees and advisors

Trustees	Mrs L R Rank (Chairperson) Mr J Hardcastle (resigned 7 April 2020) Mr R Hawes Mr J W Hickman (resigned 14 February 2021) Mrs F King (resigned 12 May 2020) Mrs J M Kingston Rev L Maseko (appointed 7 July 2020) Rev R Merchant (appointed 18 August 2020 and resigned 12 May 2020) Mr C J Rank (appointed 11 May 2021) Ms R L Severn (resigned 18 January 2020)
Director	Rev K Picot
Principal address	Harnhill Manor Cirencester Gloucestershire GL7 5PX
Charity registration number	1176053
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Lloyds Bank plc 14 Castle Street Cirencester Gloucestershire GL7 1QJ
Principal solicitors	Harrison Clark Rickerbys and Hewitsons Elgin House Billing Road Northampton Northamptonshire NN1 1QJ

Trustees' report Period to 31 December 2020

The trustees present their report together with the accounts of the Harnhill Centre of Christian Healing, a Charitable Incorporated Organisation (CIO) (the “charity” or the “CIO”) for the year to 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 27 to 31 of the attached accounts and comply with the charity's Constitution, applicable laws, applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of 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 United Kingdom and Republic of Ireland (FRS 102).

Introduction



“All are welcome in this place...”

The Harnhill Centre was founded by, and operated in accordance with, a Deed of Trust dated 14 June 1985. It continued to operate under the Deed of Trust until 31 December 2017 when its activities, assets and liabilities were transferred to the CIO.

The original vision for the establishment of a centre for Christian healing was that of the late Canon Arthur Dodds. In 1985 the 17th Century Manor House with a Barn, outbuildings and stables was still in use as a working farm. Arthur had been an Officer in the Royal Air Force who was shot down over the Western Desert in 1942, when he responded to a call by God to train for ministry in the Anglican Church. He was taken prisoner and moved to Italy from whence he subsequently escaped. His story is recounted in a book entitled Desert Harvest and published by Dianthus Publishing Limited.

Introduction (continued)

The house, barn, out-buildings and some land were acquired by the Trust in 1985. Farm land not needed by the Centre was sold and is now privately owned. As funds have become available, the Grade II listed buildings have been extensively modernised, refurbished and adapted within the limits of planning permission to provide for a residential community, residential accommodation for guests together with a conference facility and refectory in the Barn. The latter is used mainly for services and what was originally stabling now provides rooms for prayer ministry.



Objectives and activities

The objectives of the charity under its Constitution are “by such means as are charitable to promote the charitable work of the Church of England and the Anglican faith and in particular to further the Ministry of Christian Healing”.

By embracing and believing the words expressed in the Nicene Creed our ecumenical religious community, staff and volunteers advance the ministry of the church by bringing the healing love of Jesus Christ to all who visit The Harnhill Centre. The charity seeks to achieve its objectives by:

- ◆ Holding public Christian services both at the Centre and the adjacent Parish Church;
- ◆ Organising and running training courses on Christian healing, wellbeing and wholeness, at the Centre and elsewhere in the United Kingdom when invited to do so;
- ◆ Responding to invitations to go out to churches and other organisations to speak about and assist in the development of the Ministry of Christian Healing in the local situation;
- ◆ Giving the opportunity for those needing a break to stay in quiet, caring surroundings;
- ◆ Providing prayer ministry during residential retreats and individual ministry appointments for those who so desire;
- ◆ Offering an intercessory prayer ministry;

Objectives and activities (continued)

- ◆ Promoting pastoral support;
- ◆ Holding day events and courses; and
- ◆ Using our buildings and grounds in ways which benefit the wider community by
 - o offering facilities for religious and secular groups and organisations to meet;
 - o working with local authorities to provide a safe space for those in need of temporary refuge; and
 - o working with local groups, networks and the Diocese to access the facilities at Harnhill.

Public benefit

The trustees have given due consideration to public benefit in the discussions about activities and how the charity's objects are fulfilled and they are satisfied that they have complied with the requirements to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Centre's Christian activities are open to all who wish to make use of them, and where the cost of a residential stay might be a barrier, a bursary fund is available to assist those in need. The Centre continues to strengthen links with local and national organisations pursuing educational links, working with the public sector and widening the outreach of Harnhill.

Thank you so much – I was anxious about coming and it has been wonderful. I feel like I have a new lease of life...

While some of its activities in 2020 had to be curtailed due to the restrictions of Covid-19, such as public services and the closure of the Centre for hospitality during periods of national or local lockdown, the trustees and staff were committed to wanting to help the public cause throughout this time and ensure that Harnhill's ministry continued. New ways of delivering ministry and making use of the charity's buildings to support those in need because of Covid-19 were actively pursued which enhanced the contribution the charity was making for public benefit during this time. When legal to do so, the Centre re-opened with careful provision for the safety of all.

The team are truly inspirational, and their very presence is healing.









Voluntary assistance

The trustees acknowledge with gratitude the contribution made by both staff and volunteers throughout the year. 2020 necessarily changed the operational landscape. Ordinarily, the Centre is supported by more than 130 volunteers who assist the community in the maintenance and daily running of the Centre. While many of the activities were curtailed due to lockdown and with temporary closures impacting significantly on the scale of volunteering possible, volunteers continued to assist with prayer ministry, intercessory prayer, the garden and general maintenance. At other times, when open, there was the usual additional support serving coffee and lunches for the benefit of residents, helping in the office and kitchen. Other volunteers are engaged as trustees.

The financial benefits of their assistance cannot be easily quantified (maintenance assistance alone is almost one full-time salary), but it enables the Centre to provide amenities for a greater number of people than would otherwise be possible.



Table of volunteer contribution during 2020

Area of Volunteering	When	Number of People	Hours
 Reception	Jan - March 2020	4	31.5
 Garden	Throughout year	10	434.5
 Maintenance	Throughout year	2	1,680.0
 Prayer Team Spiritual Accompaniment	When open in 2020	28 4 teams	239.5 16.0
 Kitchen	Jan – March 2020	2	120.0
 Worship	Jan - March 2020	36	87.0
 Intercessors Prayer team	Throughout year	30 2 per week	
 Residential and day course support	When open in 2020	9	97.5

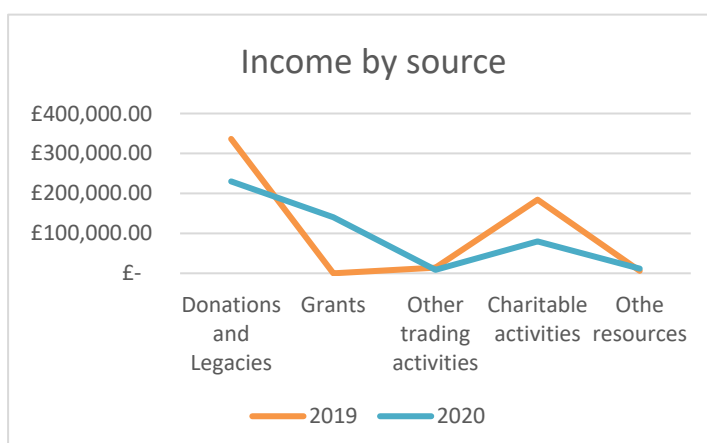
Achievements and performance

As referred to earlier, the trustees are aware that our normal activities have been disrupted as we have witnessed the Covid-19 pandemic, the impact of which has been felt in all areas of life throughout 2020 and continues to have major impact in 2021 and so it has too for Harnhill. But we believe that the opportunities we have responded to and support offered to those around us in this time, while varying from our normal programme of activity for the Centre have been and are no less an articulation of our ministry or response to meeting our Charitable Objects than were our mainstream ministry activities prior to Covid-19.

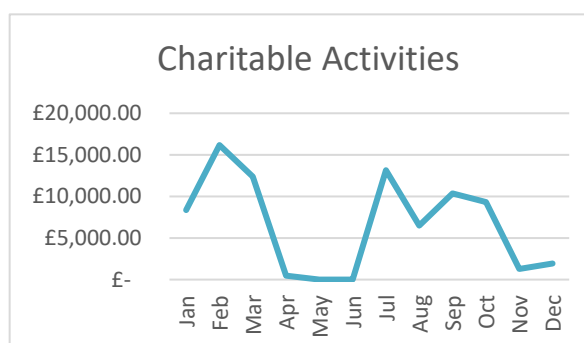
Immediate Impact of Covid-19

With the unfolding implications from Covid-19 at the beginning of 2020 and lockdown conditions threatening the activities which were routinely undertaken, the trustees immediately drew up a Covid-19 Budget and Cashflow Forecast to show the financial impact to income and expenditure. With donation income uncertain, not least because donations usually have a partial correlation to residential bookings, the worst-case scenario was projected indicating a deficit by 31 December in the region of £35,000.

Despite repeated closures and following an amazing response by supporters, donation income exceeded budget by 21%. However, the modest contribution made by trading activities from the bookshop and facilities hire fell short of anticipated income by 23.5%, and the major charitable activity fell short of projection by 8.6% and 56% when compared with 2019.



The following graph shows the impact of Covid-19 charitable activity revenue illustrating the pattern directly aligned to periods of lockdown and closure.



Achievements and performance (continued)

Immediate Impact of Covid-19 (continued)

The contribution made by government funded and independently sourced grants meant that the overall revenue achieved exceeded projections by 41%. This, coupled with tight control over expenditure which remained below budget, enabled Harnhill to withstand the downturn and end the year in a sufficiently positive position for the trustees to be confident that the Centre could continue operating as a going concern into the future.

From March 2020, when revenue from hospitality ceased, employed non-residential staff members were furloughed under the Government's Coronavirus Job Retention Scheme, although the Community remained on-site and actively working. This has continued although some moved to flexible furlough in the latter part of the year when we were permitted to re-open. The Centre has been concerned for the welfare of staff whether on furlough or not.

Many routine activities have not been possible for the full year. This has included the public worship services and being able to host the weekly Dwelling Place although this continued to be well received when it could take place.

'A wonderful evening', and *'What an amazing night!'* are just some of the comments about the Dwelling Place held on 12 February 2020 led by Roger Jones and a team of four musicians. Roger who is a Christian musician from Birmingham who writes songs and Christian musicals and teaches and leads worship.

During the closed period, The Manor House with 13 bedrooms and the Barn facilities were offered to the NHS as an emergency extension to local hospitals and later to care workers needing to self-isolate but where circumstances prevented them from doing so at home or those who needed to separate from their home environment to protect others shielding. When national statistics indicated a marked increase in the number of cases of domestic abuse, the Centre responded by liaising with Official Agencies in both Gloucestershire and West Oxfordshire offering both our accommodation and expertise in this area to support those needing temporary emergency placements. While take-up has been slower than anticipated, accommodation was used for several months. This has resulted in one guest, who showed a particular affinity with the Centre, being offered an employed position as part of the Residential Ministry Team from May 2021.

The Centre has engaged in online ministry during the period of closure and has continued to receive enquiries about retreats and when we hope to re-open. At present it is anticipated that we will be able to open our doors in September 2021 and October 2021 offering a more flexible programme of residential stays and courses. It may be possible to open as early as August 2021, depending upon Government advice, but the normal programme is currently suspended, and we anticipate that we will see a gradual increase in take up but potentially only 50% in the early weeks/months.

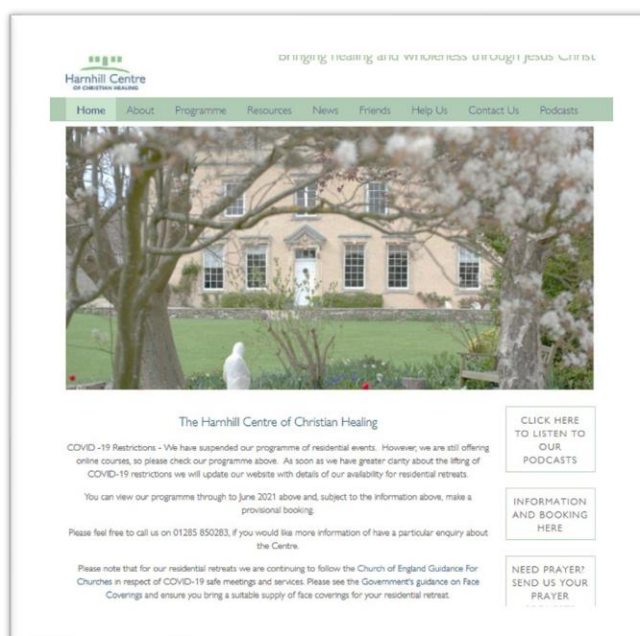
Full risk assessments have been undertaken at each stage of Covid-19 and with each opportunity emerging to support those who are front-line, and those suffering in consequence to Covid-19, these have been reviewed.

Achievements and performance (continued)

Immediate Impact of Covid-19 (continued)

The impact on beneficiaries must not be underestimated. A significant effort has been put into ensuring we could remain in contact with them, provide what services we could even throughout lockdown periods and offer those in most need the opportunity to re-book cancelled visits at the earliest opportunity.

Online Presence



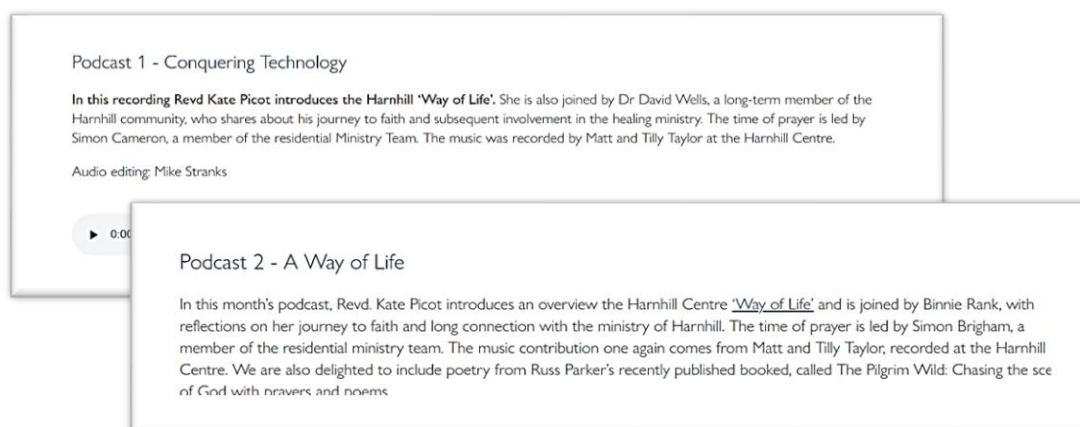
The period of closure provided an opportunity to think creatively about how we could engage with our various stakeholders, be they beneficiaries, donors, volunteers or staff etc. In April 2020, we secured a grant to convert some of our ministry programme from site-based to online and were able to expand upon this to further widen the scope of what could be offered when closed. As a result of which, we have greatly developed our website to provide the forum for many new facilities, along with electronic means of communication and we have been able to provide the following online:

- ◆ Prayer ministry appointments;
- ◆ Training days;
- ◆ Quiet days;
- ◆ Podcasts;
- ◆ Weekly worship with our staff;
- ◆ Prayer requests; and
- ◆ Booking online for residential and day courses.

Achievements and performance (continued)

Podcasts

The podcasts have been particularly valued, access to which has been made available via monthly e-newsletters to Friends, but also more widely via the website. The first was launched in November 2020 and they have been released monthly since then.



Each podcast has included a spoken reflection accompanied by music and prayers. It has been a means by which the Community at Harnhill have been able to share their vision for a Way of Life, through which the Ministry of Harnhill is expressed.

The Podcast is such an excellent and timely communication and Christian message for us all in this most difficult and unprecedented times. It brings us such healing! I look forward to the next one.

May God continue to bless you all.

I just wanted to say what an excellent piece of communication this is from every angle - both the content and the technical side. You've set the bar high; this is such a positive outcome from such a difficult time for Harnhill (and all of us). Well done to everyone involved!

Dear Kate and all involved, thank you so much for this first podcast. I imagine it took a great deal of thought and prayer and organisation to produce. I listened to it last night and it gently ministered to me at a time when even us introverts are feeling weary now. With churches closed ... and meeting in groups not possible I am just beginning to recognise the danger of losing my sense of spiritual direction.

Achievements and performance (continued)

Worship and ministry

With reduced resources, decisions had to be taken as to what activities could be continued. Sadly, public services had to be cancelled early on in 2020 and could not realistically resume for some considerable time and the decision was taken to defer the resumption of services until 2021. Although to some extent public worship was permitted under Government guidelines, the Centre is strongly dependent upon volunteers to provide the services and ministry associated with them, without whose availability the services could not be adequately supported.

The charity continued to provide its core objective to deliver healing ministry throughout the year, hosting residential stays when permitted to be open and meeting the needs of individuals seeking ministry as referred to above, either on the telephone or using online facilities such as Zoom. Despite the Covid-19 impact, the Centre still received 286 bookings for residential retreats and 83 bookings for day courses. Some had to be cancelled and refunded or rescheduled and while residential bookings fell by around 40% in the year, a strong need for ministry remained. A number of booked guests extended great generosity by converting their deposit or payments to donations when cancelled due to lockdowns, for which we give great thanks.

Varying the programme to one which was less formally structured was a successful modification made in response to coping with Covid-19 restrictions and the impact on volunteer availability. This provided more space for guests in a physical, mental, and spiritual context while still providing the necessary care, refreshment and ministry opportunities afforded in the past.

All guests are offered the opportunity to provide feedback from their stay and this is used to inform both the programme for the subsequent year but also to enable us to continually improve what we offer and how we do it. Some of the ways in which guests expressed healing whether

As soon as I arrived, I sensed the peace of God here in such a tangible way.

~

It has been an absolute delight to spend time here. Thank you for everyone's input into making the days run so effortlessly. A joy to receive, to be refreshed and quality space. Timetable spot on in length of content, worked incredibly well with Covid restrictions.

~

I just pray for the day Harnhill opens after the virus.

~

Once again, I offer my sincere gratitude to Kate, the ministry team, staff and volunteers, for welcoming and caring for the guests with love, kindness and servant hearts. I commend each one of you for the many ways in which you have continued to work tirelessly during lockdown to maintain the fabric of the House, buildings, and garden...

~

Just giving you my heartfelt gratitude for all the work you have put into making this week's retreat such a blessing.

Thank you to all who have made my time here so amazing. The rhythm of each day was perfect. It's so much appreciated that you have worked so hard at bringing about a 'safe' environment in the current climate. My experience here has been safe, secure, and full of God.

physical, emotional, spiritual, in relationships or of the mind included feeling a sense of release from past hurts, shame, trauma and pain; healing from bereavement pain and anger; restoration of wellbeing and experiencing both spiritual and emotional restoration.

Achievements and performance (continued)

Worship and ministry (continued)

The Community continued its prayerful presence within the wider community and in accordance with its *Way of Life* which continues to evolve; maintained a rhythm of prayer and worship three times a day throughout the week; and enabled guests when present to share this worship as well as Compline twice a week. This service is usually open to visitors from the local community (Covid-19 restrictions aside)...

All plans to further develop hosting conferences and the wider use of the Centre's conference and house facilities have been set back due to Covid. However, the planned work around strategy and policy and the future development of the work of the charity as a provider of services to the wider church and public, including strengthening links with clergy training institutions and the Diocese of Gloucester continued with promising outcomes for 2021. In late 2020 positive links with Regents Theological College were established.



The Conclusion

In peace we will lie down and sleep;
All for you alone, Lord, make us dwell in safety.

Abide with us, Lord Jesus,
All for the night is at hand and the day is now past.

As the night watch looks for the morning,
All so do we look for you, O Christ.

The Lord bless us and watch over us;
the Lord make his face shine upon us and be gracious to us;
the Lord look kindly on us and give us peace.
All Amen.

In the early autumn, a Christian Community from South London were introduced to Harnhill. As a Community, they were exploring developing their own calling, life together and rhythm of work, prayer, and worship. We were delighted to be joined by four of their community who stayed in-house for a month to learn about community life from Harnhill.

Kate Picot, the Director of the Centre remained part of the advisory group established by the Bishop of Gloucester for the Ministry of Healing and Wholeness in 2020 continuing their work in this area.

Grants received

As part of the response to a possible financial crisis the trustees proactively engaged in exploring how funding could be secured to protect the charity from the financial insecurity. The charity was successful in obtaining a substantial unrestricted grant of £45,000 from one funder to be split over three years, the first round of which was received in 2020. In addition to the digitisation grant referred to earlier, a small grant was secured to offer a number of fully funded personal retreats/rest and refreshment stays to key workers; and funding from the Diocese of Gloucester Life Development Fund was also awarded in 2020. Further funding is being actively sought for both core funding and specific projects for 2021.

Financial review

Results for the financial period

A summary of the results of the year to 31 December 2020 can be found on page 24 of this report and accounts. The comparative results represent the year to 31 December 2019.

Total income amounted to £483,360 (2019: £567,184). Of the income, £295,045 (2019: £361,431) was received by way of donations and legacies. Income from other trading activities, including the sale of tapes, books and CDs, as well as other fundraising activities amounted to £4,306 (2019: £12,683). Income from charitable activities including course and residential fees amounted to £82,782 (2019: £188,505). Income from the Government's Coronavirus Job Retention Scheme and a Small Business Grant had an aggregate total of £96,441 (2019: £nil).

Expenditure totalled £410,030 (2019: £494,231). Expenditure incurred on raising funds amounted to £1,784 (2019: £15,571) and expenditure on charitable activities comprising the costs of running courses amounted to £408,246 (2019: £478,660).

Net income for the year was £73,330 (2019: £72,953).

Financial position

The balance sheet shows total reserves of £2,546,879 (2019: £2,473,549). Of this £6,546 (2019: £4,892) represents restricted funds. These monies have been donated for specific purposes. Also included in total funds is an amount of £2,324,443 (2019: £2,341,422) representing properties and other tangible fixed assets essential for the support and work of the charity. Funds available to support the work of the charity are shown as general funds on the balance sheet and amount to £215,890 (2019: £127,235).

Reserves policy

The reserves policy has been comprehensively reviewed following 2020 and in particular, the impact of Covid-19 considered together with the sustained financial position overall which the charity ended the year in due to the significant legacy in late 2019 and the benefits of grants in 2020. This policy sets out Harnhill Centre of Christian Healing's approach to reserves and the level of reserves the trustees think are appropriate and identifies the logical justifications for their approach.

In considering the level of reserves the trustees have taken three core needs into account:

1. Provision of a level of working capital that protects the continuity of our ministry work;
2. Provision of a level of funding which can be used to take advantage of unexpected opportunities; and
3. Provision of cover for risks such as unforeseen expenditure or unanticipated loss of income.

Financial review (continued)

Reserves policy (continued)

The core ministry of the Centre is bringing the healing ministry of Jesus Christ to all who visit the Centre by providing prayer ministry through residential retreats and individual ministry appointments, organising and running training courses on Christian healing, wellbeing and wholeness, and offering Christian services to the public.

Delivery of the core ministry activities costs approximately £231k per annum. This excludes overheads pertaining to property and administration. Property related costs amount to approximately £64.5k with other overheads of £66.5k, giving a monthly outlay of £30k. The charity is subject to some seasonality in the pattern of income generation with January being a particularly lean month and the charity closes the house for four weeks in the year to facilitate necessary maintenance.

In seeking to protect the core work of the charity, and in a climate where small charities, and in particular faith charities, may often struggle to obtain external funding through grants or bursaries, the trustees believe that it is important to consider the composition of the charity's funding sources, noting particularly the various sources of income.

In 2020 the charity's income amounted to £483k compared with £567K in 2019. Of this 61% (£295K) (2019: 64% (£361k)) was generated from donations and legacies, 17% (£83k) (2019: 33% (£189k)) from charitable activities and 22% (£106k) (2019: 3% (£17k)) from trading or other sources which included £96k of income from the Coronavirus Job Retention Scheme (2019: £nil). The trustees are very conscious that income was subsidised by government funding in 2020 without which the charity would have recorded a loss.

Approximately 23% (£68.5k) (2019: 21% (£75k)) of donated income is secure being monthly standing order donations.

The income raised through charitable activities is subject to external influences which could have a catastrophic consequence on income generation when, as arose with Covid-19 in 2020, activities must temporarily cease.

The charity wishes to secure an element of resourcing to take advantage of opportunities which may present themselves, without which, it could be hindered in pursuing new opportunities which could help to financially strengthen the funding of core activities.

A key challenge for the trustees is ongoing income generation to make delivery of the core ministry more financially sustainable based upon secure funding. Several ideas are being explored which would put the charity's asset in the form of land and buildings to a more purposeful use to generate income. However, no new opportunities can be exploited without investment.

Financial review (continued)

Reserves policy (continued)

Based on the trustees' current assessment, it is thought prudent to establish reserves as follows:

Provision of working capital	8 weeks @ £231k+£64.5k/52	£45,500
Risk mitigation	12 weeks @ £66.5k/52	£15,400
Capital for activities investment		£25,000
Total reserves		£63,400

This calculation is based upon 2020 results. However, taking into consideration the impact of Covid-19 on both income and expenditure and when compared with 2019 the trustees recommend increasing this figure to £80,000 in recognition that overheads were deflated in 2020. The trustees are aware that this figure may not always be achievable. However, it is the aspiration of the trustees to secure this figure over a period of three years and to put what measures in place may be possible to improve both the level of income generated and in particular to increase the percentage of secure income while closely controlling costs.

This policy will be reviewed annually.

The free reserves of the charity as at 31 December 2020 were £215,890 (2019: £127,235) and this equated to 25 weeks of operational expenditure. This level is somewhat higher than that required under the above policy but arises as a result of the significant legacies received during 2019. The trustees consider that policies are in place which will maintain reserves at an adequate level although the challenges of Covid-19 present a number of uncertainties.

The assets of the charity are all held to assist in the objectives of the charity and are considered by the trustees to be adequate to meet its ongoing requirements.

Plans for the future

The trustees are aware that the impact of Covid-19 will remain well into 2021 and possibly longer. It will be necessary to have a time to reintegrate staff back following, for some, an extensive period of furlough, and to reconnect with volunteers while the Centre prepares to reopen and rebuild confidence in those who are vulnerable among its beneficiaries. However, the general plans are to:

- ♦ Continue to hold public Christian services.
- ♦ Continue to review the strategy and policy for the future development of the work of the charity as a provider of services to the wider church and public, and developing our outreach:
 - to the wider geographic catchment area around the Centre, and farther afield where interest has been expressed;

Plans for the future (continued)

- within the academic sector where there is a willingness to discuss the contribution the Centre could make to the curricula, education, and development of those training for ministry;
- with the Diocese of Gloucester; and
- with local authorities and public agencies to offer support to those in need.
- ◆ Continue to offer the charity's healing ministry through hosting residential stays, meeting the needs of individuals seeking ministry, and offering rest and refreshment to guests, while evaluating the impact of the remodelled programme for both residential and day guests.
- ◆ Rejuvenate the Centre's efforts to increase take up for hiring the facilities at Harnhill and continue to host conferences for both religious and secular organisations and workshops for individuals.
- ◆ Maintain and enhance our listed buildings on a controlled basis as advised by surveyors.
- ◆ Seek grant funding to secure the ongoing ministry of Harnhill.
- ◆ Open a Wellbeing Café and develop links with local groups supporting those experiencing mental health challenges.
- ◆ The trustees are committed to exploring how the site can be made more eco-friendly over time as resourcing and opportunities can be identified.
- ◆ Review IT systems and structures and consider a planned upgrade.

Governance, structure, management and relevant policies

The charity is a Charitable Incorporated Organisation (CIO) governed by a Constitution registered with the Charity Commission on 1 December 2017 (Charity Registration No.1176053).

The trustees who served during the period and up to the date on which this report was approved are as detailed on page 1.

New trustees are appointed by all the existing or continuing trustees and they receive copies of the most recent annual report and accounts, access to the charity's policies and when completed a Trustee Handbook (currently being developed). The chair of the trustees ensures that the new trustees are aware of their responsibilities and the Centre's principles.

The trustees meet at least six times each year and are supported by sub-committees which cover management, finance, fundraising, buildings, marketing, and publicity issues. Throughout the Covid-19 crisis, trustees met more frequently and will continue to do so as necessary.

Governance, structure, management and relevant policies (continued)

Statement of trustee's responsibilities

The trustees are responsible for preparing the trustees' report and the accounts 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 requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of 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 United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts 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 with reasonable accuracy and disclose at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations, 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.

Risk management

The trustees undertake a comprehensive review of risk management annually in addition to considering risk in the implementation and monitoring of its strategy throughout the year.

External risks to funding are considered each year when preparing their plans for the forthcoming year and agreeing longer term strategies. Insurable risks are covered by policies subject to annual review in consultation with relevant professional advisers and which the trustees consider to be adequate.

Governance, structure, management and relevant policies (continued)

Risk management (continued)

In response to the review of funding and dependency on donation income which featured among the highest ranked risks in 2019, the trustees created a new part-time post for a Development Officer to focus on marketing and fundraising and developing the charity's trading activities. Diversity within the trustees and the breadth of skills required among the trustee body having been addressed in 2020 will receive ongoing focus. The Risk Management review was carried out whilst considering the impact of the Covid-19 pandemic.

Loss of key staff remained a concern, and work continued the planned restructure of the organisation to mitigate the risk of loss of key staff and reduce the consequence of dependency. Following the planned review during 2020, the post of Bursar was created to fill the finance vacancy created in 2019. This role broadened the scope of the former accountant's role giving greater support to the Director and trustees generally. Work has continued to improve financial procedures and updating of systems and this along with the provision of information for trustees will assist trustee decision making and assist business management of the charity. The other key risks identified in 2020 included:

- ◆ The risk of IT failure and corruption. An upgrade of IT systems therefore will be considered in 2021 due to the age of equipment. Additional security features were installed in 2020 to mitigate viruses and malicious cyber-attack.
- ◆ Reputational risk in consequence of received ministry.
- ◆ Safeguarding which remains a key concern for any organisation working with vulnerable people. A review of the Centre's safeguarding policy will be undertaken in 2021 along with training of staff and volunteers.

Structure and management reporting

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet regularly to review developments concerning the charity or its activities and make any important decisions.

Day to day management of the Centre, is delegated to Revd Kate Picot who is responsible not only for operational matters including personnel, health and safety, and the spiritual well-being of the staff but also for appointing staff to lead in all the elements essential for the efficiency and smooth running of the Centre. The director has no executive authority but liaises with the trustees on all subjects of importance. Revd Picot is supported by a mixed fulltime and part time team of 15 members of staff. She, together with the Bursar and external professional experts, advise the trustees as to their legal and fiscal responsibilities and duties and provides training in these matters.

Governance, structure, management and relevant policies (continued)

Structure and management reporting (continued)

The director reports directly to the trustees. Additionally, each member of the community and full-time staff has a nominated trustee with whom they can share any problems or difficulties associated with their work and vocation. Trustees, members of the community and volunteers are encouraged to ensure they have the support of their own churches and where relevant to have their own independent spiritual direction. The Centre's Director not only enjoys such support but is accountable as a Priest to the Bishop of Gloucester.

At least six trustees' meetings are held during the year. The trustees have established a Market Committee, Estates Committee and a Finance Committee to advise them on matters relating to the buildings and finances of the charity. The Finance Committee meets during the year to review and make recommendations concerning the financial control of the charity's resources and assets. Management accounts are reviewed against budget. The charity does not currently have an investment portfolio.

The trustees also extend their grateful thanks to all those who serve on sub-committees contributing their skills to marketing and publicity.

Key management personnel

The trustees comprise key management personnel but receive no remuneration for their duties. The director of the Centre is the only staff member undertaking a key management function. Her salary is reviewed annually by the trustees using a variety of criteria including benchmarking to similar roles elsewhere.

Fundraising policy

The charity aims to achieve best practice in the way in which it communicates with donors and other supporters. Great care is taken with both the tone of communications and the accuracy of data to minimise the pressures on supporters. Best practice is followed to protect supporters' personal information and never sells or swaps data and ensures that communication preferences can be changed at any time. The charity manages its own fundraising activities and does not employ the services of professional fundraisers. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year, the charity received no complaints about its fundraising activities.

Approved by, and signed on behalf of, the trustees:

Lavinia R Rank

Trustee

Date of approval: 6 July 2021

Independent auditor's report to the trustees of the Harnhill Centre of Christian Healing

Opinion

We have audited the accounts of the Harnhill Centre of Christian Healing (the 'charity') for the period from 31 December 2020, which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the year to 31 December 2020;
- ◆ 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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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 accounts; or
- ◆ sufficient and proper accounting records have not been kept; or
- ◆ the accounts 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to 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 to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of the Bursar and representatives of those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of the Bursar and representatives of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the accounts (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

9 August 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities Year to 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Income from:							
Donations and legacies	1	291,895	3,150	295,045	335,611	25,820	361,431
Other trading activities	2	4,306	—	4,306	12,683	—	12,683
Charitable activities	3	82,782	—	82,782	188,505	—	188,505
Other sources							
. Covid-19 Small Business Grant		25,000	—	25,000	—	—	—
. Coronavirus Job Retention Scheme		71,441	—	71,441	—	—	—
. Miscellaneous		4,786	—	4,786	4,565	—	4,565
Total income		480,210	3,150	483,360	541,364	25,820	567,184
Expenditure on:							
Raising funds	4	1,784	—	1,784	15,571	—	15,571
Charitable activities	5	406,750	1,496	408,246	429,125	49,535	478,660
Total expenditure		408,534	1,496	410,030	444,696	49,535	494,231
Net income (expenditure) and net movement in funds	7	71,676	1,654	73,330	96,668	(23,715)	72,953
Reconciliation of funds:							
Fund balances brought forward at 1 January 2020		2,468,657	4,892	2,473,549	2,371,989	28,607	2,400,596
Fund balances carried forward at 31 December 2020	16	2,540,333	6,546	2,546,879	2,468,657	4,892	2,473,549

All recognised gains and losses are included in the statement of financial activities above.

Income and expenditure derived from continuing operations in both the above financial years.

Balance sheet At 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	10		2,324,443		2,341,422
Current assets					
Stocks	11	7,093		5,859	
Debtors	12	26,843		17,003	
Cash at bank and in hand		207,130		137,704	
		241,066		160,566	
Creditors: amounts falling due within one year	13	(18,630)		(28,439)	
Net current assets			222,436		132,127
Total net assets			2,546,879		2,473,549
Funds					
Unrestricted funds					
. Tangible fixed assets fund	14		2,324,443		2,341,422
. General fund			215,890		127,235
Restricted funds	15		6,546		4,892
			2,546,879		2,473,549

Approved by the trustees and signed on their behalf by:

Lavinia R Rank

Approved on: 6 July 2021

Statement of cash flows Year to 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	69,426	100,624
Cash flows from investing activities:			
Purchase of tangible fixed assets		—	(32,551)
Net cash used in investing activities		—	(32,551)
Change in cash and cash equivalents in the period		69,426	68,073
Cash and cash equivalents at 1 January 2020		137,704	69,631
Cash and cash equivalents at 31 December 2020	B	207,130	137,704

Notes to the statement of cash flows for the year ended 31 December 2020.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	73,330	72,953
Adjustments for:		
Depreciation charge	16,979	21,457
(Increase) decrease in stocks	(1,234)	4,613
(Increase) decrease in debtors	(9,840)	5,350
Decrease in creditors	(9,809)	(3,749)
Net cash provided by operating activities	69,426	100,624

B Analysis of cash and cash equivalents

	2020 £	2019 £
Total cash and cash equivalents: Cash at bank and in hand	207,130	137,704

Principal accounting policies Year to 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2020 with comparatives provided in respect to the year end 31 December 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where judgements and estimates have been made include:

- ◆ estimating the useful economic lives attributed to tangible fixed assets and used to determine the annual depreciation charge;
- ◆ assessing the probability of the receipt of legacy income; and
- ◆ estimating the future income and expenditure flows of the charity for the purposes of assessing going concern.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

Assessment of going concern (continued)

The impact of the Covid-19 pandemic on the United Kingdom has been considerable, resulting in Government decisions affecting the whole population, and therefore businesses and charities.

The charity's reserves policy has been comprehensively reviewed following 2020 and in particular considers the impact of Covid-19, together with the sustained financial position overall which the charity ended the year in due to the significant legacy in late 2019 and the benefits of grants in 2020. This policy sets out the charity's approach to reserves and the level of reserves the trustees think are appropriate and identifies the logical justifications for their approach.

In seeking to protect the core work of the charity, and in a climate where small charities, and in particular faith charities, may struggle to obtain external funding through grants or bursaries, the trustees believe have considered the composition of the charity's funding sources, noting particularly the assurity of the various sources of income.

A key challenge for the trustees is ongoing income generation to make delivery of the core ministry more financially sustainable based upon secure funding. Several ideas are being considered which would put the charity's asset in the form of land and buildings to a more purposeful use to generate income albeit these will take time to come to fruition..

Meanwhile the charity's reserves are in excess of those required by its reserves policy due to the receipt of significant legacy income in 2019. Whilst there are uncertainties over maintaining 2020 levels of income in 2021 and possibly 2022, the trustees have actively sought ways to raise funds and improve their financial position and are of the view that forecast deficits will not cast doubt on the ability of the charity to continue as a going concern given its reserve levels.

The most significant areas of judgement that affect items in the accounts are detailed above.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably, and it is probable that the income will be received.

Income comprises donations, legacies, income from sundry trading activities, income from charitable activities (residential and course fees) and income from sundry sources. During the year, the charity was also in receipt of the net assets transferred from its predecessor charity.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income recognition (continued)

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Income from other trading activities comprises, in the main, income from the sale of CDs, tapes and books. It is accounted for on an accruals basis with the income being recognised when the sale is made.

Income from charitable activities comprises residential fees and course fees. Such income is recognised when the charity is entitled to receipt under the relevant contractual agreements. This is usually at the point at which the residential stay commences or the course starts.

Income from the Coronavirus Job Retention Scheme and the Covid Small Business Grants is credited to the statement of financial activities when the receipt of such funds is probable, it is clear the charity has entitlement to the income and the amount receivable can be quantified.

Other miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible.

Expenditure recognition (continued)

Expenditure on raising funds includes the cost of generating voluntary income and the costs associated with sundry trading activities. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

All expenditure is stated inclusive of irrecoverable VAT.

Governance costs

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. All governance costs are allocated to the charitable expenditure.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

1 Freehold property

The charity's freehold property is stated at cost. It is likely that the open market values of certain of the charity's land and buildings are materially greater than their book values. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

The freehold property is historic and it is approximately 400 years old, with later additions. It is used in its entirety for direct charitable purposes including residential and retreat accommodation, with the exception of two offices that the charity uses for administration purposes. The freehold property has not been depreciated on the basis that the net realisable value of the building and associated land is deemed to be higher than its net book value. Improvements to the interior of the freehold property (including the refurbished kitchen) are depreciated on a straight line basis over ten years.

2 Furniture and equipment

Expenditure on the purchase and replacement of furniture and domestic equipment is capitalised and depreciated over a ten year period on a straight line basis.

3 Motor vehicles

Motor vehicles are capitalised and depreciated over a four year period, on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year are disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds structure

The charity's funds include unrestricted income funds which are available for application towards the charity's objectives. Within unrestricted funds the trustees have identified those non-liquid funds represented by tangible fixed assets.

The charity's funds include restricted funds also which comprise monies raised for, or their use restricted to, a specific purpose or monies subject to donor imposed restrictions in use.

Details of all funds are given in the notes to the accounts.

Pensions

The charity offers its employees membership of a group personal pension plan operated by Aegon. Contributions to the plan are debited to the statement of financial activities in the year in which they are payable to the plan. The assets of the plan are held independently by Aegon and do not form part of the charity's assets.

The charity also contributes to the Church Pension Fund provided for eligible clergy of the Episcopal Church within the United States of America in respect of the Director. Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme.

Finance lease and hire purchase commitments

Assets held under finance lease, which are leases where substantially all of the risks and rewards of ownership of the asset have passed to the charity, and hire purchase contracts, are capitalised on the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities on the balance sheet.

Operating lease commitments

Rentals applicable to operating leases where substantially all the benefits and risks of the ownership remain with the lessor are charged on a straight line basis over the lease term.

1 Income from: Donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Donations	282,001	3,150	285,151	211,853	25,820	237,673
Friends' subscriptions	60	—	60	2,687	—	2,687
Legacies	9,834	—	9,834	121,071	—	121,071
	291,895	3,150	295,045	335,611	25,820	361,431

Since the year end, the charity has been notified of legacies totalling £83,222 including one individual legacy in excess of £60,000.

2 Income from: Other trading activities

	Unrestricted funds	
	Total funds 2020 £	Total funds 2019 £
Tape and CD sales	625	603
Book sales	3,681	12,080
	4,306	12,683

3 Income from: Charitable activities

	Unrestricted funds	
	Total funds 2020 £	Total funds 2019 £
Course fees	9,569	24,269
Residential fees	73,213	164,236
	82,782	188,505

4 Expenditure on: Raising funds

	Unrestricted funds	
	Total funds 2020 £	Total funds 2019 £
Tape and CD costs	—	340
Bookstall costs	183	7,719
Mailing costs	—	1,885
Advertising and brochure costs	1,312	5,627
Other fundraising costs	289	—
	1,784	15,571

5 Expenditure on: Charitable activities

	Unrestricted funds	Restricted funds	Total funds 2020	Unrestricted funds	Restricted funds	Total funds 2019
	£	£	£	£	£	£
Staff costs (note 8)	236,349	—	236,349	239,623	—	239,623
Food and household costs	29,150	—	29,150	62,305	—	62,305
Premises costs	54,719	—	54,719	42,800	40,307	83,107
Travel expenses	491	—	491	3,060	—	3,060
Office and administration costs	21,649	301	21,950	16,544	156	16,700
Legal and professional fees	36,388	—	36,388	32,522	1,000	33,522
Depreciation	16,979	—	16,979	21,456	—	21,456
Course expenditure	3,754	135	3,889	—	8,072	8,072
Bursaries granted	—	1,060	1,060	5,415	—	5,415
Governance (note 6)	7,271	—	7,271	5,400	—	5,400
	406,750	1,496	408,246	429,125	49,535	478,660

6 Governance costs

	Unrestricted funds	
	Total funds 2020	Total funds 2019
	£	£
Auditor's remuneration	6,414	5,400
Accountancy fees	857	—
	7,271	5,400

7 Net income (expenditure) and net movement in funds

This is stated after charging (crediting):

	Total funds 2020	Total funds 2019
	£	£
Staff costs (note 8)	236,349	239,623
Auditor's remuneration		
. Statutory audit fee – current year		
.. Current year	5,500	5,400
.. Prior year	(292)	—
.. Other fees	1,206	—
Operating lease payments	2,246	561
Depreciation	16,979	21,457

8 Staff costs and key management personnel

Staff costs during the period were as follows:

	Total funds 2020 £	Total funds 2019 £
Wages and salaries	204,368	213,296
Social security costs	10,280	8,410
Pension contributions	21,701	17,917
	236,349	239,623

The average number of employees (excluding agency staff) during the period was 14 (2019 – 16).

No employee earned £60,000 per annum or more (including taxable benefits) during the period.

Key management personnel

The trustees consider that they, together with the Director in charge of running the Harnhill Centre of Christian Healing on a day to day basis, comprise the key management of the charity. The total remuneration paid to key management personnel in the period was £29,499 (2019 – £21,741).

9 Taxation

The Harnhill Centre of Christian Healing is a registered charity and, therefore, is not liable to income tax or corporation tax on income on gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold property £	Freehold property improvements £	Furniture and equipment £	Motor vehicles £	2020 Total £
Cost					
At 1 January 2020 and 31 December 2020	2,207,491	91,338	68,947	18,728	2,386,504
Accumulated depreciation					
At 1 January 2020	—	15,971	13,232	15,879	45,082
Charge for year	—	9,134	6,895	950	16,979
At 31 December 2020	—	25,105	20,127	16,829	62,061
Net book values					
At 31 December 2020	2,207,491	66,233	48,820	1,899	2,324,443
At 31 December 2019	2,207,491	75,367	55,715	2,849	2,341,422

It is likely that the open market values of certain of the charity's land and buildings are materially greater than their book values. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

10 Tangible fixed assets (continued)

The freehold property is historic and it is approximately 400 years old, with later additions. It is used in its entirety for direct charitable purposes including accommodation, with the exception of two offices that the charity uses for administration purposes. The freehold property has not been depreciated on the basis that the net realisable value of the building and associated land is deemed to be higher than its net book value. Improvements to the interior of the freehold property (including the refurbished kitchen) are depreciated on a straight line basis over ten years.

The net book value of furniture and equipment comprises £4,147 (2019: £4,666) relating to assets held under hire purchase/finance lease agreements. The depreciation charge to the accounts in the year in respect of such assets amounted to £518 (2019: £518). The net book value of motor vehicles comprises £nil (2019: £nil) relating to assets held under hire purchase/finance lease agreements. The depreciation charge to the accounts in the year in respect of such assets is £nil (2019: £4,478).

11 Stocks

	2020 £	2019 £
Books	2,829	1,872
Tapes and CDs	—	79
Oil	2,032	—
Miscellaneous items	2,232	3,908
	7,093	5,859

12 Debtors

	2020 £	2019 £
Sundry debtors	2,287	—
Gift Aid tax repayments due	16,958	5,997
Prepayments and accrued income	7,598	11,006
	26,843	17,003

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Social security and other taxation	4,360	5,374
Accruals and other creditors	14,270	13,682
Residents' deposits received in advance	—	6,791
Finance lease / hire purchase agreements (note 17)	—	2,592
	18,630	28,439

14 Tangible fixed assets fund

	2020 £	2019 £
At 1 January 2020	2,341,422	2,330,328
Net movement in period	(16,979)	11,094
At 31 December 2020	2,324,443	2,341,422

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. A decision was made to separate this fund from the general fund and other designated funds of the charity in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

15 Restricted funds

The income funds of the charity include the following unexpended balances of donations held on trusts to be applied for specific purposes:

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Kitchen fund	1,209	—	—	1,209
Guest bedroom fund	897	—	—	897
Volunteers' discretionary fund	980	—	—	980
SLG bursary fund	432	2,500	(1,195)	1,737
Chapel conversion fund	105	—	—	105
Other funds	1,269	650	(301)	1,618
	4,892	3,150	(1,496)	6,546

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
Kitchen fund	14,388	—	(13,179)	1,209
Reception fund	—	18,050	(18,050)	—
Guest bedroom fund	—	3,740	(2,843)	897
Database project fund	—	1,000	(1,000)	—
Volunteers' discretionary fund	980	—	—	980
SLG bursary fund	8,504	—	(8,072)	432
Chapel conversion fund	3,466	3,030	(6,391)	105
Other funds	1,269	—	—	1,269
	28,607	25,820	(49,535)	4,892

The **kitchen fund** consists of donations towards to cost of refurbishing the kitchen. Transfers from restricted to unrestricted funds represent the book value of tangible fixed assets purchased from restricted funds and applied towards the purposes of the charity. These and other tangible fixed assets are represented by the tangible fixed assets fund (note 14).

15 Restricted funds (continued)

The **reception fund** consists of donations towards to cost of refurbishing the reception area.

The **guest bedroom fund** consists of donations towards to cost of refurbishing the guest bedrooms.

The **database project fund** consists of donations towards to cost of upgrading the database held by the charity.

The **volunteers' discretionary fund** consists of monies received to cover the costs of volunteers' expenses.

The **SLG bursary fund** consists of monies received from The SLG Charitable Trust Limited to provide refreshments for prayer meetings and to provide funds for those people who wish to receive ministry but cannot afford it themselves.

The **Chapel conversion fund** consists of monies received from The SLG Charitable Trust Limited in respect to the conversion of the dining room to a Chapel.

Other funds represent donations to be used in respect to specific purposes and have been spent in accordance with these restrictions.

16 Analysis of net assets between funds

	Unrestricted fund £	Tangible fixed assets fund £	Restricted funds £	Total 2020 £
Balances at 31 December 2020 are represented by:				
Tangible fixed assets	—	2,324,443	—	2,324,443
Net current assets	215,890	—	6,546	222,436
	215,890	2,324,443	6,546	2,546,879
	Unrestricted fund £	Tangible fixed assets fund £	Restricted funds £	Total 2019 £
Balances at 31 December 2019 are represented by:				
Tangible fixed assets	—	2,341,422	—	2,341,422
Net current assets	127,235	—	4,892	132,127
	127,235	2,341,422	4,892	2,473,549

17 Leasing commitments

Finance leases

The charity leases certain items of furniture and equipment and motor vehicles under finance leases. The future minimum payments to which the charity was committed at 31 December 2020 were as follows:

	2020 £	2019 £
Payable within one year	—	2,952

The interest rate applicable to the above finance lease was 0%.

Operating leases

The charity had commitments under non-cancellable operating leases for furniture and equipment at 31 December 2020 as follows:

	2020 £	2019 £
Payable within:		
. One year	2,246	2,246
. Two to five years	6,737	8,983
	8,983	11,229

18 Ultimate control and members' liability

The charity, which is constituted as a CIO, was controlled throughout the period by the trustees who comprise its members.

If the CIO is wound up, no member of the CIO has any liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

19 Transactions with trustees and related party transactions

No trustee received any remuneration in connection with their duties as trustees or key management personnel during the year (2019: none). During the year, travel and mileage expenses amounting to £299 (2019: £462) were reimbursed to one of the trustees (2019: one of the trustees).

During the year to 31 December 2020, total donations to the charity from the trustees amounted to £22,215 (2019: £23,582).

During part of the year to 31 December 2019, one of the trustees (Rachel Severn) acted as the Accounts Administrator of the Centre following the resignation of the employee who held this post previously. The trustees wished to assess the requirements of the future role carefully and as an interim arrangement to provide her with her experience, they agreed unanimously that Rachel should take on the role on a temporary basis. The Charity Commission was consulted before this decision was implemented. Rachel received no remuneration in respect to this role.

19 Transactions with trustees and related party transactions (continued)

At the start of 2020, the employee role of Bursar was developed and, after due consideration by the trustees, Rachel was appointed to the role having resigned as a trustee in January 2020.

There were no other related party transactions during the year (2019: none).