

**Harnhill Centre of Christian
Healing**

**Report and
Accounts**

31 December 2021

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	20

Accounts

Statement of financial activities	25
Balance sheet	26
Statement of cash flows	27
Principal accounting policies	28
Notes to the accounts	34

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

Trustees	Mrs L R Rank (Chairperson) Rev Timothy Hastie-Smith (appointed 9 November 2021) Mr R Hawes Mr J W Hickman (resigned 14 February 2021) Mrs J M Kingston Rev L Maseko Rev R Merchant (resigned 12 May 2021) Mr C R Rank (appointed 11 May 2021) Rev S Watts (appointed 6 July 2021 and resigned 19 May 2022)
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	Stone King LLP Upper Borough Court (UBC) Upper Borough Walls Bath BA1 1RG

Trustees' report Period to 31 December 2021

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 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 28 to 33 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.

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”.

From our Guests...

I am overwhelmed by the generosity of spirit in those who give their time and attention to praying for others through healing ministry – CR

This is a special place where we have time to hear from God. ... As ever, I go back home with more than expected - MV

I've been on a journey of rest and heart healing. Plus been able to vocalise my pain and get clarity of vision for the future - JT

Objectives and activities (continued)

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;
- ◆ Promoting pastoral support;
- ◆ Holding day events and courses; and
- ◆ Using our buildings and grounds in ways which benefit the wider community by
 - offering facilities for religious and secular groups and organisations to meet;
 - working with local authorities to provide a safe space for those in need of temporary refuge; and
 - Providing hospitality to group and individuals via *The Dwelling Place Café*.



'How lovely is your dwelling place O Lord Almighty.' Psalm 84:1

Public benefit

The trustees carefully consider the legal requirement to demonstrate public benefit and the Charity Commission guidance about public benefit and faith charities. They are satisfied that the activities of the Centre demonstrate wide public benefit through the public worship services, offering of residential ministry, the principle that no-one is refused help and support, the offering of bursary funding for those in need, the outreach of the centre through its ministry which seeks to strengthen links with local and national organisations, its teaching, and the positive Christian influence felt by those who visit the centre and take this with them into the wider communities in which they live.

As in 2020, the Centre's activities were curtailed by closure due to Covid-19, such as public services and the closure of the Centre for hospitality during times of lockdown. However, the commitment of staff and trustees enabled the ministry of the Centre to be continued in different ways from those offered when it could be open. Ministry was delivered online and by telephone, along with continued teaching and intercessory prayer. Podcasts enabled us to remain in contact with our wider network and share the Centre's activities. 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.

From our Retiring Bookings Secretary after 20 years of service to Harnhill...

During the whole of my time at Harnhill I met so many people, from so many different walks of life, all of whom enriched my ministry at the Centre. I am so grateful for this, and I will hold all those treasured memories close to my heart. Thank you so very much.

Voluntary assistance

The Centre is heavily dependent upon a wide network of volunteers who give of their time and expertise in the furtherance of the charity's objects. Volunteers support the ministry and spiritual life of the Centre, its operational life, and its leadership. The trustees wish to thank all who give so generously of their time, without such support the



Joan cheerfully digging up the ground after

Centre would find it difficult to provide the scope of ministry that it is currently able to provide.

The Centre could not have been sustained without continued support once open again from May 2021, and the ongoing spiritual support of its intercessory prayer team throughout the year.




Kevin painting the bookshop

Kevin Derham

Voluntary assistance (continued)

The table below illustrates the voluntary work undertaken for the Centre, in the year noting that to a large extent this was only possible between June and December.

Area of work volunteers involved in	Number of volunteers	Time period	Number of hours volunteered in year
 Garden	10	June - Dec	557
 Decorating	1	Jan - Dec	421
 Maintenance / General	2	Jan to Dec	340.25
 Reception	3	May to Dec	229.5
 Accounts / Admin	1	June to Dec	439.5
 Ministry:			
 Services	10	Sept to Dec	54
 Residential Prayer Team	23	May to Dec	1,797
 Prayer cover	39	May to Dec	365
 Non-residential Prayer Team	5	May to Dec	39.5
 Spiritual Accompaniment	8	May to Dec	36
 Intercessory Team	16	Jan to Dec	Unable to quantify
Total staff full-time equivalent			2.4

Achievements and performance

As mentioned earlier, normal activities were disrupted during the year, as in 2020, due to the Covid-19 pandemic, the impact of which has been felt throughout the world and in many areas of our lives. This impact inevitably touched Harnhill too with the government led lockdowns and closure of the hospitality industry. It may have changed the way in which we have been able to deliver our ministry for part of the year, but it did not prevent our ministry being received by many across the country.

From our Guests...

God has given me a new peace and helped me to put the past behind me. I am letting go of old hurts, feelings, and habits with God's help this will continue. This has been a significant moment in my life. I feel I can move forward from the past in a positive way. (GM)

Immediate Impact of Covid-19

The Centre was closed from the beginning of January until 17 May 2021 when our doors were open once more and the first residential guests arrived on 18 May 2021. Operational staff remained on furlough / flexible furlough under the Government Coronavirus Job Retention Scheme until the scheme ended, with the Community and financial staff continuing to work. The pressure on staff continuing to work was substantial, and the re-integration into the workplace for some furloughed staff was hard for them. The impact on the Centre's team whether working or not, should not be underestimated.

As in 2020, some of our routine events and activities could not take place. Public worship services were suspended and did not resume until 26 April 2021, following which we facilitated an online bookings system to ensure numbers were controlled and social distancing could be maintained. It was a great joy to see people gradually venture out and participate in shared worship once again.

Covid-19 also impacted the planned opening of what was to be a Wellbeing Café, delaying it until late 2021 and into 2022.

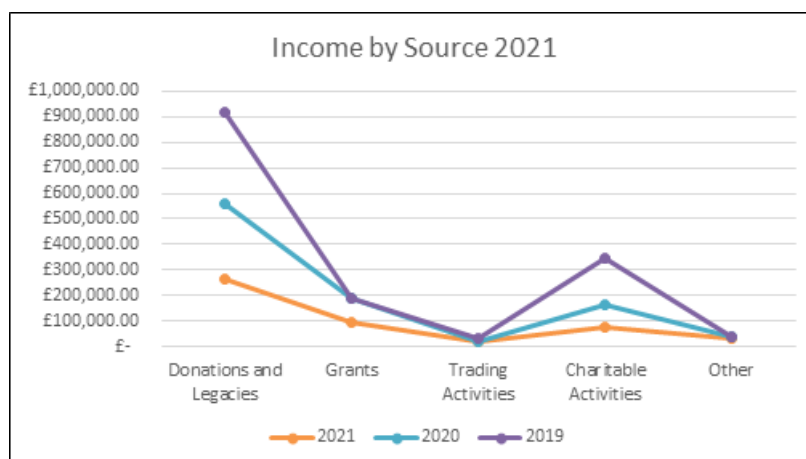
Overall, income was lower than budget by 2.6%, which in a time of adversity is a testament to the support received from donors and benefactors, and a reflection of the high regard in which Harnhill is held and the value placed upon its work and ministry.

As a direct consequence of extended Covid-19 closure, residential fee income at £75k was 45% below budget, which, when set, did not project such prolonged closure. Income in this area was down just under 7% on 2020. These two years are in marked contrast to income from charitable activities prior to Covid-19 when residential and day guest revenue was £188.5k (2019).

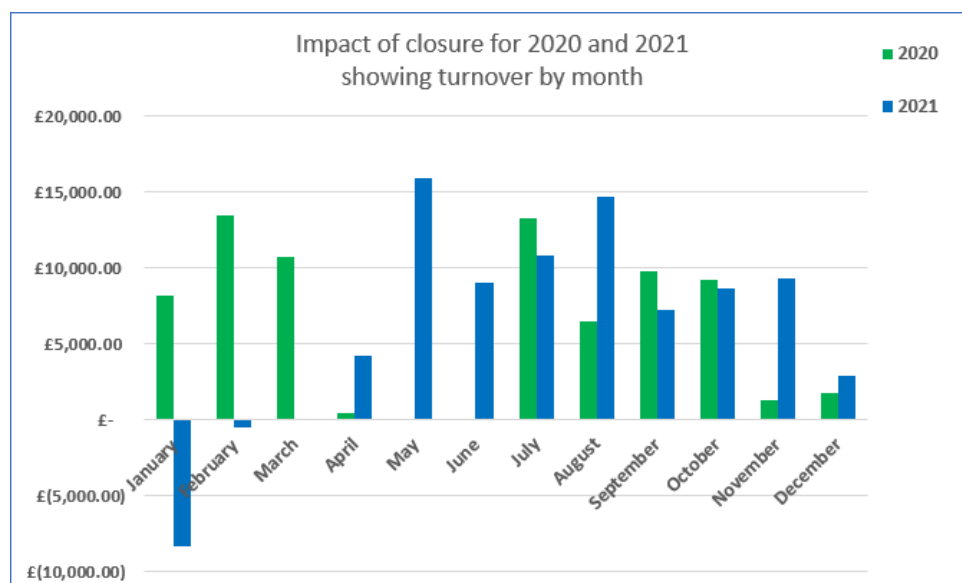
Achievements and performance (continued)

Immediate Impact of Covid-19 (continued)

The charity was able to benefit, not only from the furlough scheme, but also the government Covid-19 grants. These contributed to bridging the charitable activities revenue shortfall by just over £54k.



The chart above shows the changing pattern of revenue spanning the pre-Covid-19 period of 2019, and the two years affected by Covid-19 for 2020 and 2021. While the chart below plots the impact of closure for 2020 and 2021, most notably showing the periods of closure and substantial impact of having to issue refunds in the first months of 2021.



Tight control of expenditure and a 50% reduction in direct costs resulted in expenditure being 26.5% lower than budget. The Centre has therefore ended the year with a surplus exceeding expectations aided by the generosity of its supporters, government funding and the very generous legacies of six benefactors without which we would not have come through Covid-19 so securely.

Achievements and performance (continued)

Immediate Impact of Covid-19 (continued)

As previously mentioned, the Centre continued to offer its online ministry during closure and responded to enquires for retreats and hopes for reopening and resuming public worship. The series of monthly podcasts continued, being shared with the *Friends of Harnhill* via our monthly e-newsletter and via the website, keeping Harnhill in touch with its wider community both known and unknown and maintaining a spiritual presence and ministry to all who listened to them. The last podcast was recorded at the end of October 2021.

Worship and ministry

The heart of Harnhill is centred on its healing ministry, be it to those who visit or to the wider public who are touched by the spirit and culture of the Centre by whichever means they encounter it. We have mentioned the online ministry and the podcasts, and during 2021 we were pleased to be able to produce two further editions of the *Harvest* magazine, one in Spring and the other a Winter edition. This is sent either electronically or in hard copy to all *Friends of Harnhill*, some 420 supporters along with a prayer diary. It is also available to all on the Centre's website and freely available to visitors and volunteers in hardcopy. The *Harvest* has proved to be so successful that a further print-run was needed, and numbers now exceed 700 a year.



Despite being closed for four and a half months, the Centre increased its reach and extended ministry to 122 bookings from new enquirers, or groups using the Centre's facilities in the period July to December. The majority of these experienced either a less formal residential personal retreat or attended the more structured *Walking into your Healing* residential stays.

During 2021, guests were welcomed from some 45 counties across the country (coloured green on the map) with less than 20% of guest coming from Gloucestershire itself. This demonstrates the geographic spread of our ministry, the demand and also the scale of opportunity which exists for it.

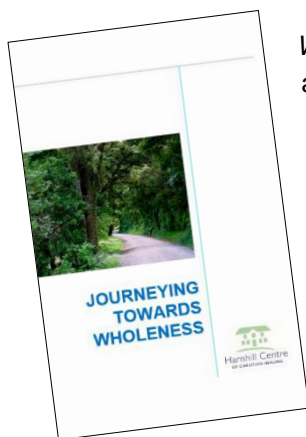


Achievements and performance (continued)

Worship and ministry (continued)

The revised programme continued throughout 2021 and into 2022. This programme, although made in response to coping with Covid-19 restrictions and the consequent availability of volunteers, has provided more space for guests in a physical, mental, and spiritual context, while still providing the care, refreshment and ministry opportunities afforded in the past. It has continued to be very well received, and it is felt, offers something which guests seek which the previous structured programme did not offer.

Personal retreats allow guests time to 'be', time to share in worship with the Community, enjoy hospitality, receive ministry, and receive the peace and tranquillity which is part of the restoring experience of being at Harnhill.



Walking into your Healing includes biblical meditation and teaching and time for reflection and has been developed for those who are beginning their healing journey or feel that they need a fresh start. Through structured teaching, looking at focussing on God and how through his grace healing can be experienced, guests are equipped to understand how to undertake their own healing journey. It is a time of sharing their experiences, traumas, wounds, in a safe and non-judgmental space through which they are enabled to receive God's healing, as well as providing an opportunity to join in with the Centre's Way of Life which involves shared worship, teaching and meals.

We have been privileged to be able to offer support to key workers, for whom bursary funding has been made available.

From our Guests...

I came to Harnhill feeling emotionally and spiritually flat. After the first night just felt so much better, and things just improved as the week went on. (KH)

A wonderful place to share, replenish and renew with others whose lives and actions are to the Glory of God. (DP)

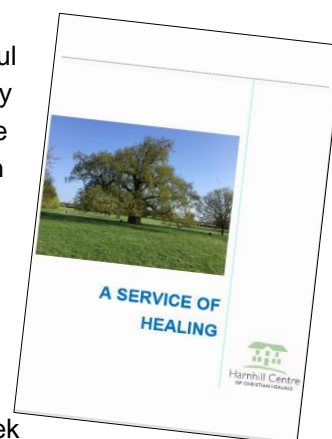
He has restored my tired soul, body and especially mind, and blessed me with signs of his nearness so specific to me. I felt very dry spiritually on my arrival but now feel refreshed and ready to walk down the next part of my journey with my Heavenly Father. (JCS)

Achievements and performance (continued)

Worship and ministry (continued)

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 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, physical healing, restoration of wellbeing and experiencing both spiritual and emotional restoration.

Throughout the year, the Community continued its prayerful presence, maintaining the rhythm of prayer three times a day throughout the week which is a central theme in the Community's developing *Way of Life*. This provides each community member with an opportunity to deepen their own faith and Christian journey and develop their spiritual relationship with God, while also strengthening the charism of the Community as a whole, which by extension touches the guests who share these times of prayer with the Community, along with the public worship services and Compline, an office held at the end of the day twice a week for guests and the local community around Harnhill.



The Centre has also started to provide public worship on a Sunday morning, either at the Centre or the small church of St Michael and All Angels next to the Centre (by kind permission of the Reverend Canon John Swanton Team Rector of the South Cotswolds Team Ministry).

External use of buildings and facilities

One of the objectives for 2021 was to increase the wider use of the Centre's conference and house facilities. Although plans to develop this were also set back by Covid-19, the developing relationship with the Diocese resulted in their using the facilities for team events, and in total we received 16 bookings between May 2021 and December 2021 from various organisations which include the Cotswold District Council, Armed Forces Christian Union, Christian Arts Festival, Marlborough Anglican Team, and various Church groups both from within the country and beyond.

A considerable amount of time and discernment was given to exploring opportunities with the Diocese of Gloucester for joint funding of a market garden project using Harnhill's land and incorporating that opportunity alongside our ministry to guests with the shared appointment of an additional member of the Ministry Team to oversee it and incorporate a practical demonstration of Harnhill's eco values into its ministry. After a number of meetings, the Diocese withdrew from funding the appointment. This coincided with the adjoining farm establishing their own market garden scheme and although opportunities exist for Harnhill to collaborate with them in some way, it was decided that this was not now a viable option for the Centre to pursue.

Achievements and performance (continued)

External use of buildings and facilities (continued)

In addition to other engagements, 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 2021 continuing their work in this area.

Grants received

The charity benefited from the second of a three-phase unrestricted grant in the year amounting to £15,000. Two further grants were secured, one unrestricted of £3,000 and another restricted of £20,000. The latter is the first of a three-phase grant secured to meet the salary costs of two of the Ministry Team for three years from 2022. It has been an aspiration of the trustees for two years to secure funding specifically to underpin the Ministry of the Centre while other activities are pursued to build up funding streams which will ensure the Centre becomes less dependent upon donation revenue and its core ministry and buildings are adequately funded.

Financial review

Results for the financial period

A summary of the results of the year to 31 December 2021 can be found on page 25 of this report and accounts. The comparative results represent the year to 31 December 2020.

Total income amounted to £484,419 (2020: £483,360). Of the income, £356,947 (2020: £295,045) was received by way of donations and legacies. Income from listed investments amounted to £684 (2020: £nil). Income from other trading activities, including the sale of tapes, books, and CDs, as well as other fundraising activities amounted to £4,342 (2020: £3,781). Income from charitable activities including course and residential fees amounted to £89,223 (2020: £83,307). Income from the Government's Coronavirus Job Retention Scheme and a Small Business Grant had an aggregate total of £27,806 (2020: £96,441).

Expenditure totalled £370,903 (2020: £410,030). Expenditure incurred on raising funds amounted to £5,005 (2020: £1,784) and expenditure on charitable activities comprising the costs of running courses amounted to £365,898 (2020: £408,246).

Net income for the year before investment gains was £113,516 (2020: £73,330). Net investment gains amounted to £5,484 (2020: £nil) resulting in a net increase in funds of £119,000 (2020: £73,330).

Financial position

The balance sheet shows total reserves of £2,665,879 (2020: £2,546,879). Of this £24,003 (2020: £6,546) represents restricted funds. These monies have been donated for specific purposes. Also included in total funds is an amount of £2,314,037 (2020: £2,324,443) representing properties and other tangible fixed assets essential for the support and work of the charity. Also included in total funds is an amount of £80,000 (2020: £nil) which has been designated, or set aside, by the trustees for specific purposes as described in note 18 to the accounts. Funds available to support the work of the charity are shown as general funds on the balance sheet and amount to £247,839 (2020: £215,890).

Financial review (continued)

Reserves policy

The reserves policy has been comprehensively reviewed following 2021 taking into consideration the impact of Covid, the financial results for the year and the needs of the Centre in 2022 and beyond.

This policy sets out Harnhill Centre of Christian Healing's approach to reserves, the level of reserves the trustees think are appropriate and sets out the 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.

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 £246k per annum. This excludes overheads pertaining to property and administration. Property related costs amount to approximately £63k with other overheads of £81k, giving a monthly outlay of £32.6k. 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 two 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 2021 the charity's income amounted to £484k compared with £483k in 2020. Of this 74% (£357k) (2020: 61% (£295k)) was generated from donations and legacies, 18% (£89k) (2020: 17% (£83k)) from charitable activities and 8% (£38k) (2020: 22% (£105k)) from trading or other sources which included £28k of income from the Coronavirus Job Retention Scheme (2021: £96k).

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 and 2021, activities must temporarily cease.

Financial review (continued)

Reserves policy (continued)

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 openings 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. Ideas are continually explored which would put the charity's asset in the form of land and buildings to more purposeful use to generate income. However, no new opportunities can be exploited without investment.

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

Provision of working capital	7 months @ £311k/12	£181,417
Risk mitigation	12 weeks @ £81k/52	£18,700
Capital for activities investment		£25,000
Total reserves		£225,117

The trustees have revised the reserves policy, giving regard to the current economic landscape. Taking this into consideration, along with the impact of Covid-19 on both income and expenditure over the two years to 31 December 2021, the trustees recommend setting the reserves figure at £225,000. The trustees are aware that this figure may not always be achievable or sustainable. However, it is the aspiration of the trustees to secure and maintain this figure over the next two 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 2021 were £247,839 (2020: £215,890) and this equated to 33 weeks of operational expenditure. This level is slightly higher than that required under the above policy but arises as a result of the significant legacies received during 2021. Further, a significant expense is anticipated in 2022 for maintenance of the property. The trustees consider that policies are in place which will maintain reserves at an adequate level given the current macro-economic crisis and war in Ukraine.

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.

Financial review (continued)

Investment Policy

The Centre established an investment policy following the investment of reserves for the first time in the charity's history in 2021. The policy sets out the investment powers of the CIO, the investment objectives being:

- a) The overall policy is to maximise total return through a diversified portfolio.
- b) Harnhill seeks to produce the best income generating financial return within an acceptable level of risk and taking into account ethical principles.
- c) The investment objectives for the long-term reserves are to generate a return in excess of inflation over the long term whilst generating income to support the ongoing activities of the charity.
- d) The objective for the short-term reserves which are held on deposit is to maintain capital value as far as possible with a minimum risk and readily available funds.

The policy also sets out the level of risk tolerance acceptable, defining it as:

A medium-low risk class is sought for investment of reserves ensuring a level of dividend surety through a period of poor market conditions. The primary long-term risk is inflation. This should be reflected in the risk profile adopted under the guidance of any appointed investment managers.

Also defined in the policy is the liquidity requirement and benchmark parameters.

In terms of Ethical Investment, the trustees seek to ensure an ethical approach to investment of reserves in line with the Church of England's policy. Investments are therefore held within common investment funds managed by CCLA, in particular the CBF Investment Fund. The Fund is managed in accordance with the policies of the Church of England's Ethical Investment Advisory Group (EIAG) which can be found here: [Policies and reviews | The Church of England](#)

Plans for the future

The trustees are aware that the impact of Covid-19 will remain into 2022. It will be necessary to have a time of consolidation as the activities of the Centre return to a more normal pattern, to reconnect with volunteers and assess what impact Covid-19 has had on that support base, which may impact on both the Ministry Team and activities, and to 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.

Plans for the future (continued)

- ◆ 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.
- ◆ Re-establish the Marketing Committee to raise exposure of the Centre and its activities with the additional objective of increasing take up for hiring the facilities at Harnhill.
- ◆ Continue to host conferences for both religious and secular organisations and workshops for individuals.
- ◆ Maintain and enhance our listed buildings. A programme of internal refurbishment is required.
- ◆ Explore how the Centre's residential facilities and accommodation might be increased to enable growth.
- ◆ Seek grant funding to secure the ongoing ministry of Harnhill.
- ◆ Open The Dwelling Place 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 and an environmental efficiency survey has been commissioned for May 2022.
- ◆ Complete the planned IT systems 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 under review). The chair of the trustees ensures that the new trustees are aware of their responsibilities and the Centre's principles.

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).

Governance, structure, management, and relevant policies (continued)

Statement of trustee's responsibilities (continued)

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. The renewed focus of the marketing committee is expected to have a positive impact on revenue streams. Insurable risks are covered by policies subject to annual review in consultation with relevant professional advisers and which the trustees consider to be adequate. Following review in 2021, Business Interruption cover was reassessed and cover increased.

The areas of highest risk include:

- ◆ loss of key staff;
- ◆ disaster recovery planning (following the experience of Covid-19);
- ◆ computer failure and the implications operationally;

Governance, structure, management, and relevant policies (continued)

Risk management (continued)

- ♦ risks associated with ministering to those living with mental health difficulties; and
- ♦ reputational risk and loss of donors and core supporters.

By way of mitigation in 2022, the IT review has been completed and will now proceed to recommended upgrades being funded; the Centre's safeguarding policy and procedures underwent a full review at the end of 2021 and a new policy was approved for 2022.

Loss of key staff remained a concern. Planned restructuring was hindered by Covid-19 but will be pursued in 2022 with a view to reduce the consequence of dependency.

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. All policies have been reviewed and updated as necessary including the Centre's volunteer confidentiality agreement, complaints policy, booking conditions, and new policies adopted for redundancy and investment.

Day to day management of the Centre, is delegated to Revd Kate Picot, the Director, who is responsible for the spiritual leadership of the Community and staff; fulfilment of the Centre's ministry; for operational matters including personnel, health, and safety; and 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, advises the trustees as to their legal and fiscal responsibilities and duties and provides training in these matters.

The Director reports directly to the trustees. 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 director. Revd Kate Picot has been licenced by the Bishop to officiate within the Diocese of Gloucester, leads occasional parish services and has access to Diocesan support given to all local clergy.

At least six trustees' meetings are held during the year, more during times of crisis (Covid-19). The trustees have established a Marketing 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. Investments are held with CCLA in the CBF Investment Fund.

Governance, structure, management, and relevant policies (continued)

Structure and management reporting (continued)

The trustees extend their grateful thanks to all those who serve on sub-committees contributing their skills to the benefit of the Centre.

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: 19th July 2022

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

Opinion

We have audited the accounts of Harnhill Centre of Christian Healing (the 'charity') for the year to 31 December 2021, 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 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the 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;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ 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

17th August 2022

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 2021

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from:							
Donations and legacies	1	332,992	23,955	356,947	291,895	3,150	295,045
Investments and interest receivable	2	684	—	684	—	—	—
Other trading activities	3	4,342	—	4,342	3,781	—	3,781
Charitable activities	4	89,223	—	89,223	83,307	—	83,307
Other sources							
. Covid-19 Small Business Grant		—	—	—	25,000	—	25,000
. Coronavirus Job Retention Scheme		27,806	—	27,806	71,441	—	71,441
. Miscellaneous		5,417	—	5,417	4,786	—	4,786
Total income		460,464	23,955	484,419	480,210	3,150	483,360
Expenditure on:							
Raising funds	5	5,005	—	5,005	1,784	—	1,784
Charitable activities	6	360,419	5,479	365,898	406,750	1,496	408,246
Total expenditure		365,424	5,479	370,903	408,534	1,496	410,030
Net income for the year before net investment gains							
		95,040	18,476	113,516	71,676	1,654	73,330
Net investment gains		5,484	—	5,484	—	—	—
Net income before transfers		100,524	18,476	119,000	71,676	1,654	73,330
Transfers between funds	17	1,019	(1,019)	—	—	—	—
Net income and net movement in funds	8	101,543	17,457	119,000	71,676	1,654	73,330
Reconciliation of funds:							
Fund balances brought forward at 1 January 2021		2,540,333	6,546	2,546,879	2,468,657	4,892	2,473,549
Fund balances carried forward at 31 December 2021	19	2,641,876	24,003	2,665,879	2,540,333	6,546	2,546,879

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 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	11		2,314,037		2,324,443
Investments	12		185,484		—
			2,499,521		2,324,443
Current assets					
Stocks	13	7,806		7,093	
Debtors	14	27,242		26,843	
Cash at bank and in hand		149,590		207,130	
		184,638		241,066	
Creditors: amounts falling due within one year	15	(18,280)		(18,630)	
Net current assets			166,358		222,436
Total net assets			2,665,879		2,546,879
Funds					
Unrestricted funds					
. Tangible fixed assets fund	16		2,314,037		2,324,443
. Designated funds	18		80,000		—
. General fund			247,839		215,890
Restricted funds	17		24,003		6,546
			2,665,879		2,546,879

Approved by the trustees and signed on their behalf by:

Lavinia R Rank

Approved on: 19th July 2022

Statement of cash flows Year to 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	129,079	69,426
Cash flows from investing activities:			
Investment income and interest received		684	—
Purchase of investments		(180,000)	—
Purchase of tangible fixed assets		(7,303)	—
Net cash used in investing activities		(186,619)	—
Change in cash and cash equivalents in the period		(57,540)	69,426
Cash and cash equivalents at 1 January 2021		207,130	137,704
Cash and cash equivalents at 31 December 2021	B	149,590	207,130

Notes to the statement of cash flows for the year ended 31 December 2021.

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	119,000	73,330
Adjustments for:		
Depreciation charge	17,709	16,979
Gains on investments	(5,484)	—
Investment income and interest receivable	(684)	—
Increase in stocks	(713)	(1,234)
Decrease (increase) in debtors	(399)	(9,840)
Decrease in creditors	(350)	(9,809)
Net cash provided by operating activities	129,079	69,426

B Analysis of cash and cash equivalents

	2021 £	2020 £
Total cash and cash equivalents: Cash at bank and in hand	149,590	207,130

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

Principal accounting policies Year to 31 December 2021

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 accounts have been prepared for the year to 31 December 2021 with comparatives provided in respect to the year end 31 December 2020.

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;
- ◆ assessing the quantum of key accruals; 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.

The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

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.

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

Investment income is recognised once the dividend or equivalent has been declared and notification has been received of the amount due.

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 been 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 recognition (continued)

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 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 and regular impairment reviews are carried out. 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.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives, or other complex financial instruments.

As noted above, the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stocks

Stocks and items for resale are valued at the lower of cost and net realisable value.

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.

Principal accounting policies Year to 31 December 2021

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 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Donations	214,412	23,955	238,367	282,061	3,150	285,211
Legacies	118,580	—	118,580	9,834	—	9,834
	332,992	23,955	356,947	291,895	3,150	295,045

2 Income from: Investments and interest receivable

	Unrestricted funds	
	Total funds 2021 £	Total funds 2020 £
Income from listed investments	684	—

3 Income from: Other trading activities

	Unrestricted funds	
	Total funds 2021 £	Total funds 2020 £
Tape and CD sales	—	100
Book sales	4,342	3,681
	4,342	3,781

4 Income from: Charitable activities

	Unrestricted funds	
	Total funds 2021 £	Total funds 2020 £
Course fees	15,097	9,569
Residential fees	73,698	73,738
Emergency accommodation	428	—
	89,223	83,307

5 Expenditure on: Raising funds

	Unrestricted funds	
	Total funds 2021 £	Total funds 2020 £
Bookstall costs	2,058	183
Mailing costs	1,000	—
Advertising and brochure costs	1,804	1,312
Other fundraising costs	143	289
	5,005	1,784

6 Expenditure on: Charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Staff costs (note 9)	221,360	—	221,360	236,349	—	236,349
Food and household costs	28,630	—	28,630	29,150	—	29,150
Premises costs	61,988	1,209	63,197	54,719	—	54,719
Travel expenses	242	150	392	491	—	491
Office and administration costs	12,177	3,663	15,840	21,649	301	21,950
Legal and professional fees	9,673	—	9,673	36,388	—	36,388
Depreciation	17,709	—	17,709	16,979	—	16,979
Course expenditure	2,158	—	2,158	3,754	135	3,889
Bursaries granted	406	457	863	—	1,060	1,060
Governance (note 7)	6,076	—	6,076	7,271	—	7,271
	360,419	5,479	365,898	406,750	1,496	408,246

7 Governance costs

	Unrestricted funds	
	Total funds 2021 £	Total funds 2020 £
Auditor's remuneration	4,710	6,414
Accountancy fees	1,366	857
	6,076	7,271

8 Net income and net movement in funds

This is stated after charging (crediting):

	Total funds 2021 £	Total funds 2020 £
Staff costs (note 9)	221,360	236,349
Auditor's remuneration		
. Statutory audit fee – current year		
.. Current year	4,600	5,500
.. Prior year	(100)	(292)
.. Other fees: taxation and pension advisory services	210	1,206
Operating lease payments	2,246	2,246
Depreciation	17,709	16,979

9 Staff costs and key management personnel

Staff costs during the period were as follows:

	Total funds 2021 £	Total funds 2020 £
Wages and salaries	195,179	204,368
Social security costs	15,720	10,280
Pension contributions	10,461	21,701
	221,360	236,349

The average number of employees (excluding agency staff) during the period was 15 (2020 – 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 £28,071 (2020 – £29,499).

10 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.

11 Tangible fixed assets

	Freehold property £	Freehold property improvements £	Furniture and equipment £	Motor vehicles £	2020 Total £
Cost					
At 1 January 2021	2,207,491	91,338	68,947	18,728	2,386,504
Additions	—	—	7,303	—	7,303
At 31 December 2021	<u>2,207,491</u>	<u>91,338</u>	<u>76,250</u>	<u>18,728</u>	2,393,807
Accumulated depreciation					
At 1 January 2021	—	25,105	20,127	16,829	62,061
Charge for year	—	9,134	7,625	950	17,709
At 31 December 2021	<u>—</u>	<u>34,239</u>	<u>27,752</u>	<u>17,779</u>	79,770
Net book values					
At 31 December 2021	<u>2,207,491</u>	<u>57,099</u>	<u>48,498</u>	<u>949</u>	2,314,037
At 31 December 2020	<u>2,207,491</u>	<u>66,233</u>	<u>48,820</u>	<u>1,899</u>	2,324,443

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.

11 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 £3,629 (2020: £4,147) 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 (2020: £518).

12 Investments

	2021 £	2020 £
Listed investments		
Fair (market) value at 1 January 2021	—	—
Additions at cost	180,000	—
Unrealised gains on revaluation	5,484	—
Fair (market) value at 31 December 2021	185,484	—
Cost of listed investments at 31 December 2021	180,000	—

Listed investments held at 31 December 2021 comprised units in the CBF Church of England Investment Fund. All underlying investments in this holding comprised listed investments which were dealt in on a recognised stock exchange.

13 Stocks

	2021 £	2020 £
Books	2,943	2,829
Oil	3,120	2,032
Miscellaneous items	1,743	2,232
	7,806	7,093

14 Debtors

	2021 £	2020 £
Sundry debtors	5,883	2,287
Gift Aid tax repayments due	3,421	16,958
Prepayments and accrued income	17,938	7,598
	27,242	26,843

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Social security and other taxation	870	4,360
Accruals and other creditors	17,410	14,270
	18,280	18,630

16 Tangible fixed assets fund

	2021 £	2020 £
At 1 January 2021	2,324,443	2,341,422
Net movement in period	(10,406)	(16,979)
At 31 December 2021	2,314,037	2,324,443

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.

17 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 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Kitchen fund	1,209	—	(1,209)	—	—
Guest bedroom fund	897	—	—	—	897
Volunteers' discretionary fund	980	—	(150)	(739)	91
SLG bursary fund	1,737	—	(457)	—	1,280
Chapel conversion fund	105	—	—	—	105
Ministries salaries fund	—	20,000	—	—	20,000
Other funds	1,618	3,955	(3,663)	(280)	1,630
	6,546	23,955	(5,479)	(1,019)	24,003

	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

17 Restricted funds (continued)

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).

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

The **volunteers' discretionary fund** consists of monies received to cover the costs of volunteers' expenses. The transfer between funds in 2021 represents amounts expended in previous years which were deemed to be restricted in nature.

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.

The **ministries salary fund** consists of grant income received to fund two ministry positions for three years.

Other funds represent donations to be used in respect to specific purposes and have been spent in accordance with these restrictions. The transfer between funds in 2021 represents amounts expended in previous years which were deemed to be restricted in nature.

18 Designated funds

	At 1 January 2021 £	Designated £	Utilised £	At 31 December 2021 £
Property repairs fund	—	80,000	—	80,000

The **property repairs fund** comprises funds set aside by the trustees for property repairs.

19 Analysis of net assets between funds

	Unrestricted fund £	Tangible fixed assets fund £	Restricted funds £	Designated funds £	Total 2021 £
Balances at 31 December 2021 are represented by:					
Tangible fixed assets	—	2,314,037	—	—	2,314,037
Investments	185,484	—	—	—	185,484
Net current assets	62,355	—	24,003	80,000	166,358
	247,839	2,314,037	24,003	80,000	2,665,879

	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

	Total 2021 £	Total 2020 £
Total unrealised gains included above:		
On investments	5,484	—
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2021	—	—
Net gains arising on revaluation in the year	5,484	—
Unrealised gains at 31 December 2021	5,484	—

20 Leasing commitments

Operating leases

The charity had commitments under non-cancellable operating leases for furniture and equipment at 31 December 2021 as follows:

	2021 £	2020 £
Payable within:		
. One year	2,246	2,246
. Two to five years	4,491	6,737
	6,737	8,983

21 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.

22 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 (2020: none). During the year, travel and mileage expenses amounting to £36 (2020: £299) were reimbursed to one of the trustees (2020: one of the trustees).

During the year to 31 December 2021, total donations to the charity from the trustees amounted to £15,988 (2020: £22,215).

During the year to 31 December 2021, the charity received a grant of £15,000 (2020: £20,000) from Joseph Rank Trust, a charity of which one of the trustees of the Harnhill Centre of Christian Healing is also a trustee.

There were no other related party transactions during the year (2020: none).