

**Harnhill Centre of Christian  
Healing**

**Report and  
Accounts**

31 December 2022

Charity Registration Number  
1176053

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

<b>Trustees</b>	Mrs L R Rank (Chairperson) Dr Ian Donald (appointed 9 March 2023) Rev Timothy Hastie-Smith (appointed 9 November 2021) Mr R Hawes Mrs J M Kingston Rev L Maseko Mr C R Rank Rev John Swanton (appointed 2 February 2023) Rev S Watts (appointed 6 July 2021 and resigned 19 May 2022)
<b>Director</b>	Rev K Picot
<b>Principal address</b>	Harnhill Manor Cirencester Gloucestershire GL7 5PX
<b>Charity registration number</b>	1176053
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	Lloyds Bank plc 14 Castle Street Cirencester Gloucestershire GL7 1QJ
<b>Principal solicitors</b>	Stone King LLP Upper Borough Court (UBC) Upper Borough Walls Bath BA1 1RG

## Trustees' report Year ended 31 December 2022

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 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 28 to 32 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. His story is recounted in a book entitled *Desert Harvest* and published by Dianthus Publishing Limited. In 1985 the 17<sup>th</sup> Century Manor House with a Barn, outbuildings and stables was still in use as a working farm.

**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;
- ◆ Working with the Diocese of Gloucester and other organisations to offer specialised healing retreats on topics such as bereavement and addiction recovery;
- ◆ 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;
  - Providing hospitality to group and individuals via *The Dwelling Place Café*.

### 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.

How our guests describe Harnhill and their visits provides testimony for the value which can be placed upon our ministry and through which the wider communities of our guests benefit.



### Public benefit (continued)

In the Summer Autumn edition of the Harvest Magazine produced twice a year by the Centre, Reverend Kate Picot wrote the forward entitled "*What a friend we have in Jesus*" which reflects the essence of the ministry at Harnhill










Rev'd Kate Picot  
Director

*Over many years, the staff and volunteers at the Harnhill Centre have worked together to serve and bless in many ways...*






*Jesus talked about radical friendship with his disciples. He spoke about there being no greater love than when someone lays down their life for their friends, which is exactly what Jesus did for each of us. His friendship is available to everyone in every circumstance. It is the most beautiful gift and the most important friendship of all. As life continues at Harnhill, our desire is to reflect the friendship of Jesus. In a world where friendships can be fleeting or surface-level, where hatred is so easily expressed, and where wars are started, we aim to build this community with our identity firmly rooted in the friendship and love of Christ. We desire His friendship to be reflected to all who visit the Centre, to those seeking healing from trauma and damaging experiences, and towards all needing rest and restoration.*

### 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 Centre would find it difficult to provide the scope of ministry that it is currently able to provide. The table below illustrates the voluntary work undertaken for the Centre throughout 2022.

Area of work volunteers involved in	Number of volunteers	Approximate Number of hours volunteered in year
 Garden	7	471
 Living alongside	23	2,580.5
 Property Maintenance	3	437.25
 Kitchen	1	240
 Reception	3	116
 <b>Ministry:</b>		
 Services	10	100

### Voluntary assistance (continued)

Area of work volunteers involved in	Number of volunteers	Approximate Number of hours volunteered in year
 Residential Prayer Team	23	459
 Prayer cover	24	547.5
 Non-residential Prayer Team	11	134.5
 Spiritual Accompaniment	5	29
 Intercessory Team - 127 prayer requests were responded to with prayer throughout the year	12 on a rota basis	Estimated 635 hours
<b>Total staff full-time equivalent</b>		<b>3.2</b>

### Achievements and performance

As a year 2022 has, of course, been the first full year of being open since Covid-19, the consequences of which are still felt by many and Harnhill is no exception. The results for the year are in stark contrast to the previous year which, through the generosity of our supporters provided reserves which have helped to cushion 2022.

It is a fact that the revenue generated post-covid has not kept pace with the increased costs incurred. The Centre was fortunate to have signed up to a two-year electricity contract in February which protects us until February 2024 from some of the harshest utility price increases, but in spite of this we saw costs increase by 143% from the previous contract.

A review was undertaken for insurance purposes of both business interruption cover and also the reinstatement value of the property. As a result of this, it was clear that cover needed to be extended and this along with other market forces increased premiums by 75%. Our dependency on oil for the Centre's heating also increased costs which rose to just under £21,000.

### ***Economic Challenges and How we are Responding***

We have continually looked at how we are working, where we can be more efficient without impinging on the experience our guests receive and conversely what we are called to offer to those whose circumstances place them in need, but whose finances distance them from being able to come to Harnhill for ministry.

In the course of looking at how we can meet the economic challenges brought by recent global events, we have made some changes to the way we do things throughout the winter months. This includes turning the library into a dining room enabling us to operate within the House for the most part and significantly reducing the daily heating cost of the Barn.



## Achievements and performance (continued)

### ***Economic Challenges and How we are Responding*** (continued)

We have been very keen to ensure that no one is prevented from receiving ministry in the very challenging and uncertain period ahead and will be considering very carefully our pricing model for 2023, making only one area of change but holding most prices at the pre covid-19 levels for the first half of 2023. In addition, we decided to establish a designated bursary fund.

We are actively exploring how to partner with church communities to partially-fund residential stays for members of their congregation or community who are in need.

Where possible we have not replaced staff vacancies arising naturally and absorbed what we can within the existing team, looking for efficiencies and adopting more economical work practices. Our dependency on volunteers therefore grows and we have been extremely grateful for those who have come forward offering skills and service which bridge some of the gaps created by staff changes.

Fundraising has been and will continue to be a challenge into 2023 and perhaps beyond. But in 2022 we were fortunate to be accepted to use the Parish Giving Scheme (PGS). The Parish Giving Scheme (PGS) is an established service for managing One-Off and Direct Debit giving, designed to support churches to fund their mission and ministry. One of the key advantages other than a reduction in administration for the Centre and quicker benefit from gift aid receipts is the option for donors to increment their regular giving by an inflationary uplift each year.

### ***Greening Harnhill***

We completed work with two energy efficiency consultants in the year, who undertook surveys, one free of charge and the other funded by the Diocese of Gloucester to whom we are very grateful, with a view to looking at the wider picture of how we could, over time, green the site at Harnhill. The outcome of this work clarifies that no one solution will benefit the site because of the historic nature of the buildings and complexities associated with that. But a combination of solutions are possible, some at small cost, some requiring a very significant capital investment with a total estimate to achieve net zero by 2030 in excess of £360,000. In 2023 we will be looking to do what we can to source funding to start responding to the recommendations which we feel able to undertake. We have been fortunate to secure a grant of £4,000 towards converting remaining lighting to LED and to implement sensor lighting where this can be done. This is part of a larger grant covering other areas awarded in January 2023, the work on the application for which commenced in November 2022.

### ***Way of Life***

The trustees shared an away day with Kate in February which the Chair of Trustees shared some of the discussions which took place in the Harvest magazine:



## Achievements and performance (continued)

### **Way of Life** (continued)



Binnie Rank  
Chair of Trustees

*“As a relatively new team of Trustees, it seemed important to have some unhurried time to get to know each other better, and to spend time talking and praying about the various aspects of Harnhill that we seldom have enough time to dwell on.*

*It was also a good opportunity to fill in a little of the back story of the Centre for those who have joined us more recently. You will see some new faces here and a brief personal profile of each Trustee. I thank God for the way He has called each one, and for their willingness to commit to the wellbeing, governance and ministry of Harnhill.*

*We have been considering over the last couple of years whether or not we should pursue becoming an ‘Acknowledged Religious Community’. You may have heard Kate speak on our Way of Life, what it means to be a community, and we had wondered whether we should formalise that process, but after some prayer and discussion we agreed that we do not feel called to go further down this path, but to continue building community life as we currently are...”*

### **Buildings, Fabric and Furnishings**

One of the plans we committed to in 2022 was to undertake a review of buildings. The intention of this review was to explore how we were using the buildings, whether the arrangement of operational facilities made optimum use of space and how the Centre's residential facilities and accommodation might be increased to enable growth. We started working with a firm of architects who specialize in ecclesiastical and historic buildings. A statement of need was prepared which included repurposing part of the barn facility, increasing our bedroom accommodation to provide 20 rooms instead of the current 13, and to create two more self-contained staff flats to enable the residential community to grow. This work will continue into 2023 with discussion with Cotswold District Council's planning and conservation officers, and we shall then review what might be possible for the future. This of course has been an additional expense, but we believe looking to the future and recognising that growth, both for guest ministry and for the community, is part of the vision for the Centre's future, and that this is an investment which we should make. This is reflected in the increase in professional fees in this financial year.

In particular, given that it is now 30 years since the outbuildings were converted to staff accommodation and guest bedrooms, there are signs of age showing and various fixtures are needing to be replaced. This has included the boiler flues, the bathroom extraction system in the main house, fuse box replacements, fire detectors, kitchen extraction system, upgrading the gas supply to the main kitchen, pointing of the barn, re-gravelling the car parks and window repairs to name a few. Just under £27,000 was spent on building maintenance in addition to routine repairs and servicing / maintenance contracts on which a further £13,000 was spent. The bedrooms in the converted outbuildings are in need of updating and grant funding has been secured as part of the funding referred to earlier, to undertake this work. This will enable us to recarpet and re-furnish 7 rooms. Carpeting of the main walkways to the guest bedrooms and public spaces to the east side of the house was replaced in 2022 at a cost of £6,000.

## Achievements and performance (continued)

### ***Buildings, Fabric and Furnishings*** (continued)

Further window repairs and a replacement shower system for guests remain a priority for 2023 and we are delighted to have been awarded funding (again as part of the refurbishment grant) to replace the showers which will cost about £12,000.

### ***IT Upgrade***

Just under £6,000 was invested in part of the planned upgrade referred to in last year's reported "future plans". It was possible to replace the aging and fragmented wi-fi system throughout the site. This has greatly improved the facilities available both in-house for operational purposes, and for guests and visitors to the site. The remaining part of the upgrade to migrate to fully to the cloud will hopefully be undertaken in 2023 mitigating the risk of a failing IT infrastructure.

### ***Worship and ministry***

While other areas of our work have been reported on and are essential, at the core of Harnhill are its worship and ministry activities.

In 2021 we said we would open The Dwelling Place Café and develop links with local groups supporting those experiencing mental health challenges. This was our aspiration. The Café opened in a gentle and small way, and while we continue to explore forming relationships with local groups who might benefit from coming, the Café has established itself as an important part of the week for those who attend. What has evolved is a craft café providing those with interests with a quiet, spiritually uplifting space in which to gather, share and enjoy their chosen activity.

Jenny, who is a residential member of Harnhill's team, provided an update for the Winter 22 / Spring 23 Harvest magazine.

'I enjoy a peaceful and friendly atmosphere at the Dwelling Place, while sharing crafting tips and perhaps trying a new craft yourself. A nurturing place for your faith.'

'I enjoy meeting a variety of new people. I enjoy seeing the variety of crafts which people focus on. We seem to share thoughts as we create. We laugh and chat together – it is fun.'

#### ***Monday 19th July***

*Here is a little update on the Monday Café group which meets on alternate weeks in the Henly Room from 10.30-12.30pm. People are the heart of the Dwelling Place, and a fabulous group has formed of both locals and people from further afield, meeting in a safe and inclusive environment, where people of all faiths and none are welcome to dwell, ponder and relax in the peaceful atmosphere.*

*People engage in a wide variety of creative activities including, among others, crochet, painting by numbers, tapestry, mending and painting on china.... Good friendships and connections are being formed and people encourage each other to try new crafts. Some just chat and create, while others choose to have a breakout group to share thoughts on a verse of Scripture, perhaps in the garden.*

*To my surprise and encouragement, guests arrived today, despite the 40-degree heat.*



## Achievements and performance (continued)


### Worship and ministry (continued)

*Monday 29th August*

*A group of our guests have gathered around the table today, enjoying the all-important coffee and cake or fruit. Today we have an option of delicious figs. A few have kindly shared what the Café means to them.*

The Community at Harnhill has continued its' rhythm of daily prayer and worship, routinely joined by guests staying and visitors to the Centre and has been offering a weekly schedule of worship throughout the year.

Three public services are also held each week either in the Barn or the Harnhill Parish Church which lies just adjacent to Harnhill Manor. Following discussion with the Canon John Swanton, Team Rector of the South Cotswolds Team Ministry in the diocese of Gloucester, Kate and the Ministry Team now provide a Sunday morning service each week in the parish church.



Bringing healing and wholeness through Jesus Christ

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Worship

Weekly Worship Services

Residential Guest Worship

A daily rhythm of worship is available to guests in the House Chapel. Guests are welcome to join the team for worship and prayer which takes place three times a day.

Public Worship for all to attend

We are pleased to be providing three services each week which are open to all to attend. These services are on Sunday morning, Wednesday evening and Friday morning.

Traditional Morning Prayers (Sunday Morning)

At 10 am each Sunday, join the Harnhill Team for a traditional Morning Prayer service in Harnhill Church. Refreshments will be available after the service.

Please note that Prayer Ministry is not offered at this service.

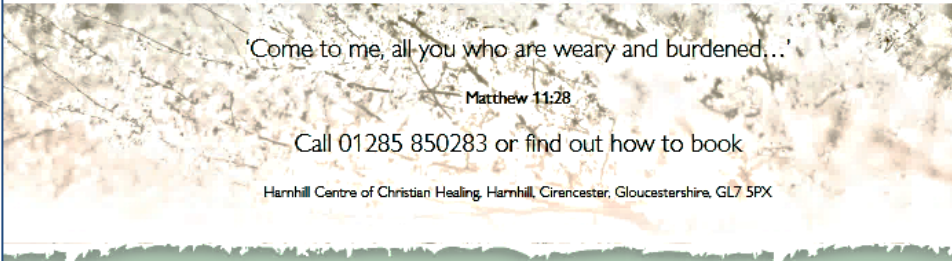
Prayer and Compline (Wednesday Evening) - with prayer ministry available.

This will be a very quiet time of reflection, meeting in Harnhill church from 7:30 pm. Members of the Team will be available to pray with you from 7:30 to 8:30 pm. This is followed by the night-time service of Compline or Taizé at 8:30 pm until 9 pm.

Healing Service and the Dwelling Place (Friday Morning) - with prayer ministry available.

There will be a Healing Service at 11:00 am, after which there will be an opportunity to receive prayer for healing. The Barn will be open from 10:30 am for personal prayer and quiet reflection. Coffee and tea will be available from 10:30 am.

(Please note, Communion will not always be offered at this Service).



'Come to me, all you who are weary and burdened...'  
Matthew 11:28  
Call 01285 850283 or find out how to book  
Harnhill Centre of Christian Healing, Harnhill, Cirencester, Gloucestershire, GL7 5PX

'A lovely way to begin the week, with creative people. Time to listen, talk, laugh and share or just rest.'

After working over 2 years in the front line (covid-19) under stress and pressure, Harnhill gave me the opportunity to rest and clear my mind as well as to rest my body and stay still and pray.

I came anxious, tired and hurting and I leave refreshed, expectant for the future and such a greater understanding of how much God loves me.

Thank you for this amazing place and to you all for the great work you do.

~  
Helped me to face the future (old age!) with confidence and hope.

## Achievements and performance (continued)

### **Worship and ministry** (continued)

The Centre continued offering the charity's healing ministry through hosting residential stays, meeting the needs of individuals seeking ministry, and offering rest and refreshment to guests. The programme of Personal Retreats, which range from 2 to 5 nights and which was so appreciated by guests as we emerged from Covid-19 was continued throughout 2022, and while those attending appreciated this style of retreat which respected social distancing and a less interactive shared time together, it had a detrimental impact on revenue contributing to the deficit in the year.

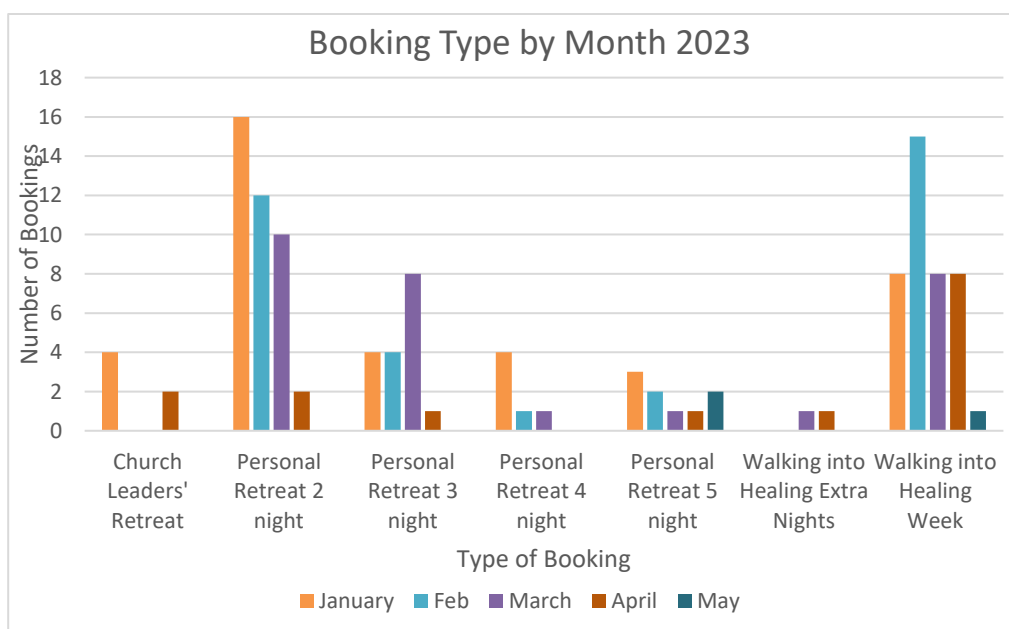
However, guests continue to value the ministry and appreciate the opportunities provided for refreshment, quiet, and hospitality which the Centre is known for.

The bookings office was busier in terms of the number of bookings received for residential stays than in 2019 (last pre-covid year) receiving 479 bookings compared with 460, a modest 4% increase. The Centre considers that any growth is a particular achievement given that 2022 was the first full post-covid year. However, this did not translate to a similar growth in occupancy, but rather a reduction on 2019 of 12.25%. Over 300 guests for either residential or day courses were new to the Centre in 2022 with a geographic spread across the UK.

The biggest factor in this is the preference of guests for shorter stays than the pre-covid programme offered. These 2 and 3 night retreats make up 48% of bookings in contrast to 18% in 2019.

The pattern of bookings for the start of 2023 is illustrated by the chart below. As always, the focussed ministry healing retreat is consistently well attended. The Centre will be increasing the number of these retreats offered but they are dependent upon the number of prayer ministers available to undertake ministry.

Booking Type by Month 2023



This place is clearly a vision that has been worked on and developed and grown over many years. The parable of the mustard seed comes to mind (Matthew 13 v31-32) *The kingdom of heaven is like a mustard seed, which a man took and planted in his field. Though it is the smallest of all seeds, yet when it grows, it is the largest of garden plants and becomes a tree, so that the birds come and perch in its branches.* Harnhill has been a place where I have been able to come and perch for a while, rest in safety and start building something as I go back out..."



## Achievements and performance (continued)

### *Worship and ministry (continued)*

In that context, 2023 will see a focus on the ministry training courses to boost the numbers of volunteers offering ministry who have gone through the mentoring programme which Harnhill runs.

### *External use of buildings and facilities*



The Centre has been delighted to see growth of 24% in the hire of its facilities. This was a revenue stream that the Centre wanted to focus on developing just as Covid-19 hit which delayed progress for two years. These bookings are seen as an extension of our ministry and outreach, through which we gain greater exposure and dissemination of our ministry and presence.

The facilities are generally offered to religious, charitable or not-for-profit organisations looking for meeting or conference facilities for residential or day events. A church and charity discount is offered to encourage and support these organisations.

The Manor House is available for weekend or weekly hire on a self-catering, half or full board basis, as well as the Barn complex, Henly room and breakout rooms for daily events depending upon the group size. As the Centre is closed to guests from Sunday evening to Tuesday afternoon, weekend hire works well and fits in with the programme offered. As organisations tend to plan dates in advance, there is opportunity for the programme to dovetail in with any potential facilities hire bookings.

Groups hiring the house or conference facilities in 2022 included the Diocese of Gloucester, Armed Forces Christian Union, multiple Churches both local and further afield, Charities and local businesses, is used for Alpha courses and by Cotswold District Council. The facilities are proving to be an ideal venue for Church Groups, Parish Away Days, Diocesan Team Weekends and for use for Seminars and Workshops.

2023 has seen enquiries already equalling the revenue generated in 2022.



## **Achievements and performance (continued)**

### ***Grants received***

The charity benefited from the third of a three-phase unrestricted grant in the year amounting to £10,000. Two further grants were secured, one unrestricted of £5,000 and another restricted of £20,000. The latter, although received in early 2023, being the second 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.

Securing grants in 2023 will be a necessary focus of activity. With a reduction seen in donations received due to the current economic climate, the Centre must secure funding from a wider source. Securing grants for faith-based activities can be a particular challenge but the Centre is confident that it can achieve grants to replace those which have or will be expiring by the end of 2024 and which will compensate for reduced revenue which is seen as a potential twofold risk in 2023, given that, as for most charities, donations rely upon disposable income, as does residential guest revenue.

## **Financial review**

### ***Results for the financial year***

A summary of the results of the year to 31 December 2022 can be found on page 25 of this report and accounts. The comparative results represent the year to 31 December 2021.

Total income amounted to £370,175 (2021: £484,419). Of the income, £183,160 (2021: £356,947) was received by way of donations and legacies. Income from listed investments amounted to £4,867 (2021: £684). Income from other trading activities, including the sale of tapes, books, and CDs, as well as other fundraising activities amounted to £15,290 (2021: £4,342). Income from charitable activities including course and residential fees amounted to £155,405 (2021: £89,223). Income from the Government's Coronavirus Job Retention Scheme and a Small Business Grant had an aggregate total of £nil (2021: £27,806).

Expenditure totalled £486,091 (2021: £370,903). Expenditure incurred on raising funds amounted to £12,110 (2021: £5,005) and expenditure on charitable activities comprising the costs of running courses amounted to £473,981 (2021: £365,898).

Net expenditure for the year before investment losses was £115,916 (2021: net income before investment gains of £113,516). Net investment losses amounted to £21,835 (2021: net investment gains of £5,484) resulting in a net decrease in funds of £137,751 (2021: net increase in funds of £119,000).

### ***Financial position***

The balance sheet shows total reserves of £2,528,128 (2021: £2,665,879). Of this £4,776 (2021: £24,003) represents restricted funds. These monies have been donated for specific purposes. Also included in total funds is an amount of £2,310,840 (2021: £2,314,037) representing properties and other tangible fixed assets essential for the support and work

**Financial review** (continued)

***Financial position*** (continued)

of the charity. Also included in total funds is an amount of £80,000 (2021: £80,000) 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 £132,512 (2021: £247,839).

***Reserves policy***

The reserves policy has been comprehensively reviewed following 2022 taking into consideration the impact of Covid, the financial results for the year and the needs of the Centre in 2023 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 £237k per annum. This excludes overheads pertaining to property and administration. Property related costs amount to approximately £107k with other overheads of £88k, giving a monthly outlay of £36k. 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 2022 the charity's income amounted to £370k compared with £484k in 2021. Of this 49% (£183k) (2021: 74% (£357k)) was generated from donations and legacies, 38% (£139k) (2021: 18% (£89k)) from charitable activities, 1% (£5k) (2021: 1% (£1k)) from investments and interest receivable and 12% (£42k) (2021: 7% (£37k)) from trading or other sources which included £nil income from the Coronavirus Job Retention Scheme (2021: £28k).



**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
<b>Total reserves</b>		<b>£225,117</b>

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 three years to 31 December 2022, 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 2022 were £136,104 (2021: £247,839) and this equated to 33 weeks of operational expenditure. This level is slightly lower than that required under the above policy but arises as a result of significant expenditure 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 following summarise the Centre's plans for the coming year:

- ◆ 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
- ◆ 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.
- ◆ Develop the Centre's programme of residential retreats to include some specialist retreats, a new Church Leaders' retreat and the reintroduction of the Rest and Refreshment Retreats with the hope of drawing in guests who would like to have a gentle introduction to retreats and for guests who are returning to us, and want to come back just to enjoy the peace of the environment, but who are not in need of focussed ministry.

**Plans for the future** (continued)

- ◆ Develop further a network of users for The Dwelling Place Café.
- ◆ Build on the success of making the Centre's facilities available to other churches, groups and charities.
- ◆ Maintain and enhance our listed buildings.
- ◆ Continue the project for the development of the buildings and facilities to enable growth.
- ◆ Refurbish the downstairs bedrooms.
- ◆ Seek grant funding to secure the ongoing ministry of Harnhill including both operational and project-based activities, and also energy efficiency funding.

**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 year 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).

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.

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

***Statement of trustee's responsibilities*** (continued)

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 following increases in sums assured for business interruption cover and building reinstatement cover in 2022, the trustees consider to be adequate. Following review in January 2023, 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;
- ◆ 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 was completed and during 2022 and early 2023 hardware was upgraded. Migration to the Cloud is planned for 2023. All policies were reviewed at the start of 2023 with recommendations submitted to the trustees.

Loss of key staff remained a concern and will be considered in the work to be undertaken in Disaster Recovery planning in 2023 along with the continued work on planned restructuring with a view to reducing the consequence of dependency and relieve workload pressures.

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

### ***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, advise the trustees as to their legal and fiscal responsibilities and duties and facilitate routes to training for Trustees in these matters offered by various organisations and the Centre's professional advisors.

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 routinely 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.

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. The Bursar is part of the senior management team and attends the Finance, Marketing and Estate's committee meetings. Their salaries are reviewed annually by the trustees using a variety of criteria including benchmarking to similar roles elsewhere.

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

***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:

L R Rank

Trustee

Date of approval: 27/07/2023

**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 2022, 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 2022 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.

**Other information** (continued)

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.



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

***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.

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.

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

***How the audit was considered capable of detecting irregularities including fraud***  
(continued)

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the 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

17 August 2023

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

**Statement of financial activities** Year ended 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
<b>Income from:</b>							
Donations and legacies	1	181,760	1,400	183,160	332,992	23,955	356,947
Investments and interest receivable	2	4,867	—	4,867	684	—	684
Other trading activities	3	15,290	—	15,290	4,342	—	4,342
Charitable activities	4	155,405	—	155,405	89,223	—	89,223
Other sources							
. Coronavirus Job Retention Scheme		—	—	—	27,806	—	27,806
. Miscellaneous		11,453	—	11,453	5,417	—	5,417
<b>Total income</b>		<b>368,775</b>	<b>1,400</b>	<b>370,175</b>	<b>460,464</b>	<b>23,955</b>	<b>484,419</b>
<b>Expenditure on:</b>							
Raising funds	5	12,110	—	12,110	5,005	—	5,005
Charitable activities	6	450,970	23,011	473,981	360,419	5,479	365,898
<b>Total expenditure</b>		<b>463,080</b>	<b>23,011</b>	<b>486,091</b>	<b>365,424</b>	<b>5,479</b>	<b>370,903</b>
<b>Net (expenditure) income for the year before net investment (losses) gains</b>							
		(94,305)	(21,611)	(115,916)	95,040	18,476	113,516
Net investment (losses) gains		(21,835)	—	(21,835)	5,484	—	5,484
<b>Net (expenditure) income before transfers</b>		<b>(116,140)</b>	<b>(21,611)</b>	<b>(137,751)</b>	<b>100,524</b>	<b>18,476</b>	<b>119,000</b>
<b>Transfers between funds</b>	17	<b>(2,384)</b>	<b>2,384</b>	<b>—</b>	<b>1,019</b>	<b>(1,019)</b>	<b>—</b>
<b>Net (expenditure) income and net movement in funds</b>	8	<b>(118,524)</b>	<b>(19,227)</b>	<b>(137,751)</b>	<b>101,543</b>	<b>17,457</b>	<b>119,000</b>
<b>Reconciliation of funds:</b>							
Fund balances brought forward at 1 January 2022		2,641,876	24,003	2,665,879	2,540,333	6,546	2,546,879
Fund balances carried forward at 31 December 2022	19	2,523,352	4,776	2,528,128	2,641,876	24,003	2,665,879

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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible fixed assets	11		<b>2,310,840</b>		2,314,037
Investments	12		<b>163,649</b>		185,484
			<b>2,474,489</b>		2,499,521
<b>Current assets</b>					
Stocks	13	<b>6,648</b>		7,806	
Debtors	14	<b>29,744</b>		27,242	
Cash at bank and in hand		<b>51,711</b>		149,590	
		<b>88,103</b>		184,638	
<b>Creditors:</b> amounts falling due within one year	15	<b>(34,464)</b>		(18,280)	
<b>Net current assets</b>			<b>53,639</b>		166,358
<b>Total net assets</b>			<b>2,528,128</b>		2,665,879
<b>Funds</b>					
Unrestricted funds					
. Tangible fixed assets fund	16		<b>2,310,840</b>		2,314,037
. Designated funds	18		<b>80,000</b>		80,000
. General fund			<b>132,512</b>		247,839
Restricted funds	17		<b>4,776</b>		24,003
			<b>2,528,128</b>		2,665,879

Approved by the trustees and signed on their behalf by:

L R Rank

Approved on: 27/7/2023

**Statement of cash flows** Year ended 31 December 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash (used in) provided by operating activities	A	<b>(85,300)</b>	129,079
<b>Cash flows from investing activities:</b>			
Investment income and interest received		<b>4,867</b>	684
Purchase of investments		--	(180,000)
Purchase of tangible fixed assets		<b>(17,446)</b>	(7,303)
<b>Net cash used in investing activities</b>		<b>(12,579)</b>	(186,619)
<b>Change in cash and cash equivalents in the year</b>		<b>(97,879)</b>	(57,540)
<b>Cash and cash equivalents at 1 January 2022</b>		<b>149,590</b>	207,130
<b>Cash and cash equivalents at 31 December 2022</b>	B	<b>51,711</b>	149,590

Notes to the statement of cash flows for the year ended 31 December 2022.

**A Reconciliation of net movement in funds to net cash (used in) provided by operating activities**

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(137,751)</b>	119,000
<b>Adjustments for:</b>		
Depreciation charge	<b>20,644</b>	17,709
Losses (gains) on investments	<b>21,835</b>	(5,484)
Investment income and interest receivable	<b>(4,867)</b>	(684)
Decrease (increase) in stocks	<b>1,158</b>	(713)
Increase in debtors	<b>(2,502)</b>	(399)
Increase (decrease) in creditors	<b>16,183</b>	(350)
<b>Net cash (used in) provided by operating activities</b>	<b>(85,300)</b>	129,079

**B Analysis of cash and cash equivalents**

	2022 £	2021 £
<b>Total cash and cash equivalents: Cash at bank and in hand</b>	<b>51,711</b>	149,590

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 ended 31 December 2022

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 2022 with comparatives provided in respect to the year end 31 December 2021.

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), 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.

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 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 recognition** (continued)

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.



**Tangible fixed assets** (continued)

**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.

**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 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Donations	179,760	1,400	181,160	214,412	23,955	238,367
Legacies	2,000	—	2,000	118,580	—	118,580
	<b>181,760</b>	<b>1,400</b>	<b>183,160</b>	<b>332,992</b>	<b>23,955</b>	<b>356,947</b>

# 2 Income from: Investments and interest receivable

	Unrestricted funds	
	Total funds 2022 £	Total funds 2021 £
Income from listed investments	4,867	684

# 3 Income from: Other trading activities

	Unrestricted funds	
	Total funds 2022 £	Total funds 2021 £
Café	5,556	—
Book sales	9,734	4,342
	<b>15,290</b>	<b>4,342</b>

# 4 Income from: Charitable activities

	Unrestricted funds	
	Total funds 2022 £	Total funds 2021 £
Course fees	24,218	15,097
Residential fees	131,187	73,698
Emergency accommodation	—	428
	<b>155,405</b>	<b>89,223</b>

# 5 Expenditure on: Raising funds

	Unrestricted funds	
	Total funds 2022 £	Total funds 2021 £
Bookstall costs	7,556	2,058
Mailing costs	632	1,000
Advertising and brochure costs	3,474	1,804
Other fundraising costs	448	143
	<b>12,110</b>	<b>5,005</b>

## 6 Expenditure on: Charitable activities

	Unrestricted funds	Restricted funds	Total funds 2022	Unrestricted funds	Restricted funds	Total funds 2021
	£	£	£	£	£	£
Staff costs (note 9)	227,418	20,000	248,626	221,360	—	221,360
Food and household costs	45,612	—	45,612	28,630	—	28,630
Premises costs	97,923	1,636	99,559	61,988	1,209	63,197
Travel expenses	552	91	643	242	150	392
Office and administration costs	28,920	—	28,920	12,177	3,663	15,840
Legal and professional fees	19,192	—	19,192	9,673	—	9,673
Depreciation	20,644	—	20,644	17,709	—	17,709
Course expenditure	1,404	—	1,404	2,158	—	2,158
Bursaries granted	(464)	1,284	820	406	457	863
Governance (note 7)	8,561	—	8,561	6,076	—	6,076
	<b>450,970</b>	<b>23,011</b>	<b>473,981</b>	<b>360,419</b>	<b>5,479</b>	<b>365,898</b>

## 7 Governance costs

	Unrestricted funds	
	Total funds 2022	Total funds 2021
	£	£
Auditor's remuneration	7,370	4,710
Accountancy fees	1,191	1,366
	<b>8,561</b>	<b>6,076</b>

## 8 Net (expenditure) income and net movement in funds

This is stated after charging (crediting):

	Total funds 2022	Total funds 2021
	£	£
Staff costs (note 9)	248,626	221,360
Auditor's remuneration		
.. Statutory audit fee – current year		
.. Current year	6,270	4,600
.. Prior year	1,100	(100)
.. Other fees: taxation and pension advisory services	4,920	210
Operating lease payments	2,246	2,246
Depreciation	20,644	17,709

## 9 Staff costs and key management personnel

Staff costs during the year were as follows:

	Total funds 2022	Total funds 2021
	£	£
Wages and salaries	218,065	195,179
Social security costs	12,207	15,720
Pension contributions	18,384	10,461
	<b>248,626</b>	<b>221,360</b>

## 9 Staff costs and key management personnel (continued)

The average number of employees (excluding agency staff) during the year was 16 (2021 – 15).

No employee earned £60,000 per annum or more (including taxable benefits) during the year (2021 – none).

### *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 year was £30,640 (2021 – £28,071).

## 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 £	2022 Total £
<b>Cost</b>					
At 1 January 2022	2,207,491	91,338	76,250	18,728	<b>2,393,807</b>
Additions	—	4,825	12,621	—	<b>17,446</b>
At 31 December 2022	<u>2,207,491</u>	<u>96,163</u>	<u>88,871</u>	<u>18,728</u>	<b><u>2,411,253</u></b>
<b>Accumulated depreciation</b>					
At 1 January 2022	—	34,239	27,752	17,778	<b>79,769</b>
Charge for year	—	9,616	10,078	950	<b>20,644</b>
At 31 December 2022	<u>—</u>	<u>43,855</u>	<u>37,830</u>	<u>18,728</u>	<b><u>100,413</u></b>
<b>Net book values</b>					
At 31 December 2022	<u><b>2,207,491</b></u>	<u><b>52,308</b></u>	<u><b>51,041</b></u>	<u><b>—</b></u>	<b><u>2,310,840</u></b>
At 31 December 2021	<u>2,207,491</u>	<u>57,099</u>	<u>48,498</u>	<u>950</u>	<u>2,314,038</u>

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 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 £3,110 (2021: £3,629) 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 (2021: £518).

## 12 Investments

	2022 £	2021 £
<b>Listed investments</b>		
Fair (market) value at 1 January 2022	185,484	—
Additions at cost	—	180,000
Unrealised (losses) gains on revaluation	(21,835)	5,484
Fair (market) value at 31 December 2022	163,649	185,484
Cost of listed investments at 31 December 2022	180,000	180,000

Listed investments held at 31 December 2022 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

	2022 £	2021 £
Books	3,207	2,943
Oil	3,336	3,120
Miscellaneous items	105	1,743
	6,648	7,806

## 14 Debtors

	2022 £	2021 £
Sundry debtors	9,012	5,883
Gift Aid tax repayments due	3,015	3,421
Prepayments and accrued income	17,717	17,938
	29,744	27,242

## 15 Creditors: amounts falling due within one year

	2022 £	2021 £
Social security and other taxation	7,342	870
Accruals and other creditors	27,122	17,410
	34,464	18,280

## 16 Tangible fixed assets fund

	2022 £	2021 £
At 1 January 2022	2,314,038	2,324,444
Net movement in year	(3,198)	(10,406)
At 31 December 2022	2,310,840	2,314,038

# 16 Tangible fixed assets fund (continued)

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 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
Guest bedroom fund	897	—	—	—	897
Volunteers' discretionary fund	91	—	(91)	—	—
SLG bursary fund	1,280	—	(1,164)	(116)	—
Chapel conversion fund	105	—	—	—	105
Ministries salaries fund	20,000	—	(20,000)	—	—
Other funds	1,630	1,400	(1,756)	2,500	3,774
	<b>24,003</b>	<b>1,400</b>	<b>(23,011)</b>	<b>2,384</b>	<b>4,776</b>

	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
	<b>6,546</b>	<b>23,955</b>	<b>(5,479)</b>	<b>(1,019)</b>	<b>24,003</b>

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

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 **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.

**17 Restricted funds** (continued)

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 2022 represents amounts received and expended in previous years which were deemed to be restricted in nature.

**18 Designated funds**

	At 1 January 2022 £	Designated £	Utilised £	At 31 December 2022 £
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 2022 £
<b>Balances at 31 December 2022 are represented by:</b>					
Tangible fixed assets	—	2,310,840	—	—	2,310,840
Investments	163,649	—	—	—	163,649
Net current assets	(31,137)	—	4,776	80,000	53,639
	<b>132,512</b>	<b>2,310,840</b>	<b>4,776</b>	<b>80,000</b>	<b>2,528,128</b>

	Unrestricted fund £	Tangible fixed assets fund £	Restricted funds £	Designated funds £	Total 2021 £
<b>Balances at 31 December 2021 are represented by:</b>					
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
	<b>247,839</b>	<b>2,314,037</b>	<b>24,003</b>	<b>80,000</b>	<b>2,665,879</b>



## 19 Analysis of net assets between funds (continued)

	Total 2022 £	Total 2021 £
<b>Total unrealised (losses) gains included above:</b>		
On investments	<b>(21,835)</b>	5,484
<b>Reconciliation of movements in unrealised (losses) gains</b>		
Unrealised gains at 1 January 2022	<b>5,484</b>	—
Net (losses) gains arising on revaluation in the year	<b>(21,835)</b>	5,484
Unrealised losses at 31 December 2022	<b>(16,351)</b>	5,484

## 20 Leasing commitments

### *Operating leases*

The charity had commitments under non-cancellable operating leases for furniture and equipment at 31 December 2022 as follows:

	2022 £	2021 £
Payable within:		
. One year	<b>2,246</b>	2,246
. Two to five years	<b>2,246</b>	4,491
	<b>4,492</b>	6,737

## 21 Ultimate control and members' liability

The charity, which is constituted as a CIO, was controlled throughout the year 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 (2021: none). During the year, travel and mileage expenses amounting to £0 (2021: £36) were reimbursed to one of the trustees (2021: one of the trustees).

During the year to 31 December 2022, total donations to the charity from the trustees amounted to £12,925 (2021: £15,988).

During the year to 31 December 2022, the charity received a grant of £10,000 (2021: £15,000) from Joseph Rank Trust, a charity of which one of the trustees of the Harnhill Centre of Christian Healing is also a trustee. Donations totalling £1,000 were received from Kemble Parish County Council, which one of the trustees has significant influence over.

There were no other related party transactions during the year (2021: none).

**23 Post balance sheet events**

Since the end of the financial year, the trustees have been notified by executors that the charity is to receive a legacy estimated at £343,000.