

**Harnhill Centre of Christian
Healing**

**Report and
Accounts**

31 December 2023

Charity Registration Number
1176053

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

Trustees	Mrs L R Rank (Chairperson) Dr I Donald (appointed 9 March 2023) Rev T Hastie-Smith Mr R Hawes (Resigned 25 January 2024) Mrs J M Kingston Rev L Maseko Mr C R Rank Rev J Swanton (appointed 2 February 2023)
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

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 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 31 to 35 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

Welcome to Harnhill Centre



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 17th 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 lands were acquired by the Trust in 1985. Farmland 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.

What a Friend we have in Jesus

In the Summer Autumn 2022 edition of the Harvest Magazine, which is 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



Reverend Kate Picot
Centre 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.

Bringing healing and wholeness through Jesus Christ

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”.

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 or spiritual direction during residential retreats and individual ministry appointments for those who wish to receive in this way;
- ◆ Working with the Diocese of Gloucester and other organisations to offer specialised healing retreats on topics such as bereavement;
- ◆ 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 clergy and others seeking a space for personal quiet days.
 - ◇ 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.

One of Harnhill's landmarks is an ancient Oak Tree in the field alongside its drive. The circumference measures 8.8 metres which means it is around 850 years old and was planted around 1170 AD, so in the Norman period and as old as Harnhill Church. While Harnhill's legacy may or may not last 850 years, the public benefit, outreach and impact of our ministry can be thought of as the acorns from which, oak trees will seed and, like Harnhill's, stand strong. People's experience of visiting Harnhill is one of healing, transformation, peace, love. If just one aspect affects the life of one visitor positively, then the impact of that reaches all whose lives they touch. In 2023 we received 550 guests for Residential Stays over 1329 nights with a further 401 guests attending day events plus 138 attending Quiet Days and 72 attending Ministry Training days, bringing the total day attendees to 611.



Public benefit (continued)

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



"The picture ... shows a 'V' in the sky over the building where I had my prayer ministry and where I experienced healing and freedom from something negative that had been plaguing my life for a long time. I had been walking in the driveway, pondering on the healing I'd received the previous day, when I felt doubts creeping in about whether the healing would last and whether it was something I should share with people or not. I reminded myself we are overcomers in Christ and that we share in His victory and I began to feel real joy and peace. I then raised my eyes

heavenward to share this moment with the Lord - and that's when I saw these two aeroplane vapour trails - making the sign of a V in the sky... I quickly ran to get my phone to capture the image, worrying it would have faded by the time I'd gone back to my room and returned - so I snapped it as soon as I came out of the building - only to realise, when I looked at the image, that the 'V' now sat squarely above the building where I'd had my prayer ministry. What's more, if you trace back to the origin of the V it's pretty much about exactly where I was sat when my healing happened! Praise God, He is so good!"

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. We have been delighted to welcome some new volunteers to our faithful Team in 2023. The combined contribution of volunteers to the running of the Centre has been 5,269.5 which is the equivalent of just short of three full time employee's time. The Trustees want 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 offer.



Achievements and performance

Overall, 2023 has seen a return to a more stable time for Harnhill, although still challenging. We saw a significant deficit from 2022 in the first post-Covid year, and in 2023, before accounting for legacy income, this has been reduced by more than 50% following a programme review, careful management of expenditure which saw a 3% reduction in overall costs, minimising recruitment following voluntary staff changes, reviewing our pricing model taking into account charges of other retreat centres, and an emphasis on growth.

To support this, the Marketing Committee was repurposed in 2023 to include fundraising, and the budget for marketing significantly increased in pursuit of the desire to increase our outreach and exposure as Centre of excellence in the Healing Ministry.

We recognise that growing our Ministry needs investment and work has continued on developing a new Website which has taken longer than hoped to complete due to time constraints as a result of keeping staff numbers to a minimum and not replacing two staff members who left during the second half of 2023, but will be completed and go live in 2024, introducing a fresh look to our programme and designing a new brochure with the assistance of a graphic designer.

The new programme and brochure remain a real achievement in the context of publicity and marketing with the launch of the 2024 programme and brochure towards the end of 2023.

The Team was delighted to host *The Bereavement Journey* course as a residential retreat for the first time in 2023 to 7 attendees. The Centre was given special permission to run this course as a Retreat. The retreat will continue to run throughout 2024. The Bereavement Journey website describes this course as follows:



“The Bereavement Journey is a series of films and discussion groups that gently guide people bereaved at any time through the most common aspects of grief and bereavement, enabling them to process the implications for themselves and discern next steps. Usually run by churches, the programme uniquely offers a final session on faith questions in bereavement, provided from a Christian perspective. This follows the main sessions and is optional, making The Bereavement Journey suitable for people of any faith or none.”



Achievements and performance (continued)

Way of Life

The Team, whether residential or not share the sense of Community within Harnhill, as do all guests and other visitors. The Team has continued to build Harnhill's Community Life and the daily rhythm of prayer and worship which all guests are invited to participate in at different times of the day. The Harnhill Community "A Way of Life" is characterised by the following commitment:



The Harnhill Community 'A Way of Life'

Values and Mission

Called to Healing We are called to be a healing community before God: seeking to be healed and to minister healing.

In Christ Our identity is in Christ: what we do reflects who we are.

The Body of Christ We are the Body of Christ: Each part is of equal value.

Committed to love We are committed to building safe and supportive relationships with one another, living into God's calling with unity.

We seek to:

Be ROOTED and GROWING in GOD through:

- Humility
- Prayer
- Trust

BLESSING OTHERS through:

- Hospitality
- Service
- Listening Prayer

Achievements and performance (continued)

Worship and ministry

The Centre has continued to offer public worship services three times a week. These are open for all to attend and take the following forms:

Traditional Morning Prayers (Sunday Morning)

At 10 am each Sunday, the public are welcome to join the Harnhill Team for a traditional Morning Prayer service in Harnhill Church followed by refreshments.

Prayer and Compline

Each Wednesday evening, this service is offered as a very quiet time of reflection, meeting in Harnhill church from 7:30 pm. At this service, the Team are available to pray with members of the public from 7.30 to 8.30 pm. This is followed by the night-time service of Compline or Taizé.

Healing Service and the Dwelling Place

The Team hosts a Healing Service at 11:00 am on Friday morning, after which there is an opportunity to receive prayer for healing. The Barn is opened from 10:30 am for personal prayer and quiet reflection. The service is preceded by coffee and tea available to all who attend. Lunch is available from 1:00 pm.



As mentioned earlier, guests are invited to attend worship with the Community in the morning, listen to the bible reading at lunchtime and worship before supper each day. All forms of worship are part of the Centre's active Ministry.

The pattern of residential bookings has shown a change. The Bookings Office processed 508 bookings in 2022. In 2023 489 were processed and with facilities hire residential bookings 550, providing 1329 nights of occupancy. Personal Retreats which were introduced when reopening after Covid closures decreased by 32% in 2023. Take up of our main healing retreat increased by 14% and 5.5% of all bookings were for the newly-introduced Rest & Refreshment retreats. Revenue generated remained in line with 2022.



Going Home with inner peace and much encouragement

Achievements and performance (continued)

Worship and ministry (continued)

Healing Service and the Dwelling Place (continued)

Published in the Winter Spring 2023 Harvest Magazine, the twice-yearly publication produced by the Centre, Kate Picot, Director of the Centre wrote in her Forward:

Each week, I have the privilege of reading guest feedback, sharing their initial insights into what God has been doing during their stay at the Harnhill Centre. Although there is often a celebratory tone, a feedback form is not always necessary to spot this, because signs of healing are often already noticeable. We regularly see guests who have arrived heavy-burdened who, towards the end of their stay, look rested, healthier, and peaceful.

On the final evening of the Walking into Your Healing retreats, there is an opportunity for guests to burn pieces of paper, on which they have written their deepest burdens, concerns, and prayer needs. Some guests burn letters expressing true feelings, which will never be sent to those who have caused hurt, or letters of surrender and trust to God. Usually, this is a gentle and reflective time, with tears of relief or grief, and often a sense of God's peace.

During one recent Thursday evening, this act of prayer became an overflowing expression of joy and thanksgiving, as everyone stood together. One of our guests let out a cheer as the paper was thrown onto the fire, and her joy rippled out to the others, who erupted into three "hip hip... hoorays!". It was moving to witness fruit of healing and, although the details were unknown to each other, the camaraderie as everyone stood side-by-side was obvious. We had journeyed alongside for a short time and our guests were getting ready to return to their daily life from a place of greater strength and wholeness. For this, we all gave thanks to God.



God has taken me by surprise, beyond what I expected.... I was in a straight jacket and God has taken it off.

Once I arrive at Harnhill, I feel like my whole being is wrapped around with the comfort of Jesus, and on leaving it is with His peace in my heart.



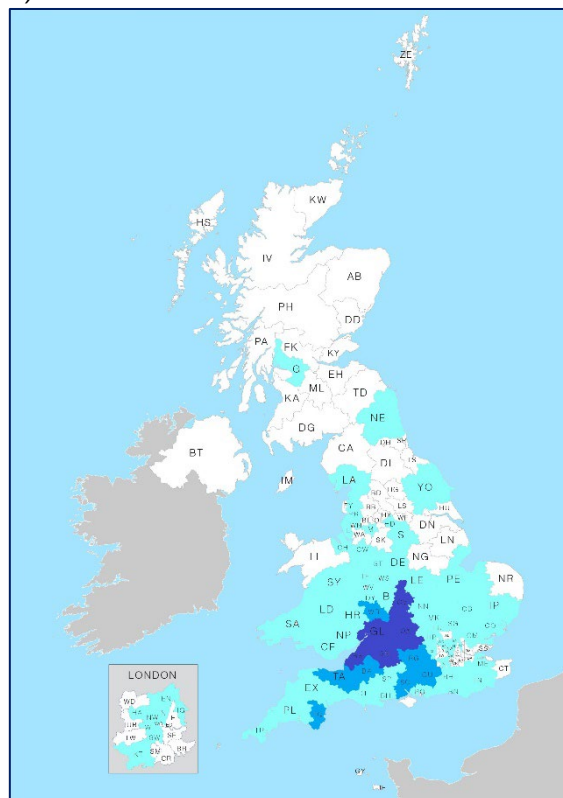
Achievements and performance (continued)

Worship and ministry (continued)

Healing Service and the Dwelling Place (continued)

The programme continued to include two Training Days hosted twice in the year and four Quiet Days. All were well attended with the Advent Quiet Day needing to be repeated to meet demand for attendance at the event. Training was extended to 72 attendees and Quiet Days to 138, which together with day guests from hire of the Centre's facilities meant that 611 day attendees visited the Centre in 2023.

The postcode map illustrates the areas from within the UK represented by guest visits to Harnhill in the year with the darker colours showing the higher number of guests. We have a good national reach and a very strong presence within the geographic counties closest to Harnhill. Analysis shows that we have reached 54 counties across the UK and welcomed guests from 5 countries in 2023



Bookshop and Dwelling Place Café

The Centre was extremely grateful to receive some donated display units which have enhanced the bookshop significantly. A wider product range has been stocked and we hope to increase the range further in 2024. Bookshop sales increased by 27%.

The Dwelling Place Café continued to host gatherings throughout the year, and we are grateful for the grant funding which has enabled us to provide a comfortable space outside for people to enjoy hospitality with new chairs and tables, picnic benches and sunshade. Although the hoped-for purpose for the Café has not yet fully materialised, we continue to work towards fulfilment of the aspiration that it will become a place of sanctuary for those seeking company, a safe place to be, for carers needing a few hours respite, and for those living with mental health challenges.

The take up of Friday lunches available in the Henly Room increased throughout the year generating an increase of revenue by 29%.

Achievements and performance (continued)

Worship and ministry (continued)



External use of buildings and facilities



Outreach through making available Harnhill's facilities to external church groups and charities has been a successful part of the Centre's activities in 2023, with revenue increasing by 55% illustrating the opportunity which exists and the asset which the Harnhill Centre is for other organisations because of its location and the atmosphere and culture which emanates from the Centre for all who visit. We have welcomed residential visitors from the Armed Forces Christian Union, Holy Trinity Cheltenham, Lutheran women's group, Journeying Communities, Lifespring UK and a number of day events hosted for Gloucester Diocese, Bristol Diocese, and a number of churches within Gloucestershire.



Achievements and performance (continued)

External use of buildings and facilities (continued)

Greening Harnhill

Progress in this area has not been as anticipated in 2023. This is because a limitation in staff numbers from retirement / new appointment lead time, leavers, and ill-health put the Team under significant workload pressure for much of the year. Although the core ministry has been delivered at all times, the impact of staff number fluctuations has been felt throughout and this has hindered projects such as grant-funding research for the buildings. However, work on the conversion of all light fixtures to LED throughout the site has continued and all but staff accommodation was completed by early 2024. This work was funded by the capital grant referred to above.

Other work undertaken has assisted with heat retention in the house and alternative heating options are ongoing for heating the Barn and Henly Room. Insulation is currently under consideration as part of a bigger roofing project.

As referred to earlier, a capital grant was received in 2023. This enabled four specific projects to be undertaken which in addition to energy-efficient lighting have included:

- ◆ Replacement of entire shower system for the downstairs' guest bedrooms enabling the Centre to address a historic problem due to age of the previous system and has provided a much-improved facility for guests which has been much commented on and appreciated.
- ◆ Refurbishment of guest bedrooms. This has been taken some time to complete, not least because a growing problem with damp was identified earlier in the year due to the age of the Manor House and lack of damp proofing. As a result, work on the refurbishment was delayed until essential tanking work could be completed in all the downstairs bedrooms, corridor wall and main entrance. This was a significant property cost in the year and contributed to the higher-than-expected property expenditure, which was 40% higher than in 2022. However, by the end of the year this work was complete and new carpets were fitted in the first week of 2024 and new furniture and soft furnishings were on order. This will improve the comfort of guests and the new carpet with underlay has already improved heat retention.
- ◆ Replacement of the chimney liner and installation of a new wood burner giving a means of alternative heating in the library in the event of heating disruption.

Achievements and performance (continued)

External use of buildings and facilities (continued)

Greening Harnhill (continued)

A number of refurbishments were needed in 2023, in addition to the above which had to be met from existing funds. This included the refurbishment of one staff flat ready for a new residential Team member, and the reordering of a kitchen / living space in another staff flat, the alteration to which facilitated the create of a new staff flat. It has been an aspiration for some time to make best use of accommodation and to create more staff accommodation.

During the last quarter of 2023, work started on the creation of the small new staff flat by converting two rooms including one bedroom with ensuite. The non ensuite bedroom replaces this so guest occupancy is not hindered.

External works undertaken included repairs to windows, doors, external decoration, guttering and repairs to address roof leaks.

Internal maintenance continued throughout the year with redecoration of guest bedrooms, the tanking already mentioned, and new fuseboards.

Maintenance needs continued into 2024 which will present challenges both financially and operationally with major works needing to be done to the Manor House roof. This will, however, provide an opportunity to fit roof insulation while works are done to replace beams and timbers etc. Grant funding will be needed.

Financing the Centre

Donations increased by approximately 4% in 2023, although donor numbers who gave directly to the Centre have increased by 70, excluding those who gave via Parish Giving Scheme, Stewardship, CAF or Justgiving. This indicates a change in donor habits, which was anticipated as we moved away from Covid, into the cost-of-living crisis, and recession at the end of 2023. Donor income is just one of three areas identified as potentially vulnerable as individuals consider their own personal circumstances at a time where hardship is increasing.

In that context, the Centre has taken steps to respond to the challenges faced by individuals struggling both financially and in terms of their need for ministry. As we have said previously, we endeavour to ensure that no one is denied help for financial reasons. Having been blessed with funding from a legacy which we received in 2023, the Board of Trustees committed to establishing a designated fund to ensure that a fund of £5,000 was available each year subject to annual review, from which bursaries could be awarded to eligible applicants to assist them in receiving residential ministry.

Achievements and performance (continued)

Financing the Centre (continued)

The Centre has a long tradition of bursary funding whether funds were absorbed as an expense, provided by external grants or from the generosity from donors. One donor came to the Finance Office before Christmas and said they wanted to pay a *Journeying into Wholeness Healing Retreat* so that someone could come who, without a fully-funded place, could not do so. Thus is the positive impact of what Harnhill does through its Ministry and the generosity of those who receive it.

As a proportion of guests, bursary take up is very small – 8 guests were awarded bursaries in 2023, but the demand for bursaries is increasing and in the first two and half months of 2024 awarded bursaries had already reached 50% of 2023 demand.

A new non-ensuite bedroom is being created and a complete refurbishment of an existing bathroom for the benefit of the guest occupying this room. This will be available at a lower cost to that charged for all other rooms which are ensuite. If this is successful, we will consider how further accommodation could be created.

We realise that the financial stability of Harnhill will never be secured from its Ministry alone. The Ministry itself – the provision of Prayer Ministry or Spiritual Direction are not and never have been charged for, and we would not wish to change this. However, it does mean that we rely upon donations, the diversification of our Charitable activities and grants to bridge the shortfalls to break even.

In early 2023, the Centre received notification that it was due to receive a legacy. In 2023 further details became known that the value was significant (£317k) and although it was not until November 2023 that the legacy was settled in full, such a sum is transformational. Given the use of reserves to fund the deficit in 2022, this provided very necessary funds to not only replenish those reserves but also enabled us to invest a capital sum from which we could derive regular income. We were very dependent upon income from investments as part of our financing strategy.

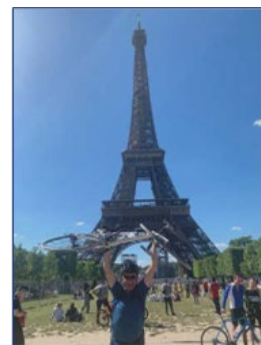
The Centre's financing policy for funding shortfalls, is underpinned by the following:

- ◆ Aiming to raise money through appeals and grants.
- ◆ Maximising Ministry revenue opportunities.
- ◆ Renting out facilities in ways which do not compromise the Centre's core ministry.
- ◆ Legacies received (which will remain the formation of our reserves).
- ◆ Retention of a capital sum to provide dividend and interest income.
- ◆ Raising funds specifically for capital expenditure.

Achievements and performance (continued)

Financing the Centre (continued)

Fundraising continued throughout the year. Kevin Derham. The Centre Director's husband undertook to raise funds for the Centre in June by completing the London to Paris Charity Cycle Ride. Kevin trained for four months and completed the event in three days raising three times his target and collecting donations exceeding £3,000.



Grants received

Just over £64k was received in grant funding this year, of which £58.5k was restricted. £20k towards the funding of two residential ministry Team posts, the second of a three-year grant commitment, and £38.5k for capital expenditure. This grant has enabled some long-needed improvements to the Centre, which are discussed later. A £5k grant was unrestricted.

Financial review

Results for the financial year

A summary of the results of the year to 31 December 2023 can be found on page 28 of this report and accounts. The comparative results represent the year to 31 December 2022.

Total income amounted to £756,129 (2022: £370,175). Of the income, £555,012 (2022: £183,160) was received by way of donations and legacies. Income from listed investments amounted to £4,894 (2022: £4,867). Income from other trading activities, including sales from the bookshop, as well as other fundraising activities amounted to £20,472 (2022: £15,290). Income from charitable activities including course and residential fees amounted to £166,350 (2022: £155,405).

Expenditure totalled £492,029 (2022: £486,091). Expenditure incurred on raising funds amounted to £17,484 (2022: £12,110) and expenditure on charitable activities comprising the costs of running courses amounted to £474,545 (2022: £473,981).

Net income for the year before investment gains was £264,100 (2022: net expenditure before investment losses of £115,916). Net investment gains amounted to £15,397 (2022: net investment losses of £21,835) resulting in a net increase in funds of £279,497 (2022: net decrease in funds of £137,751).

Financial position

The balance sheet shows total reserves of £2,807,625 (2022: £2,528,128). Of this £32,738 (2022: £4,776) represents restricted funds. These monies have been donated for specific purposes. Also included in total funds is an amount of £2,305,338 (2022: £2,310,840) 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 £80,414 (2022: £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 £389,135 (2022: £132,512).

Financial review (continued)

Reserves policy

The reserves policy has been comprehensively reviewed following 2023 taking into consideration the impact of Covid, the financial results for the year and the needs of the Centre in 2024 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 £238k per annum. This excludes overheads pertaining to property and administration. Property related costs amount to approximately £99k with other overheads of £87.6k, giving a monthly outlay of £34.2k. The charity is subject to some seasonality in the pattern of income generation with January being a particularly lean month and the charity closes the house for four weeks in the year to facilitate necessary maintenance. In seeking to protect the core work of the charity, and in a climate where small charities, and in particular faith charities, may often struggle to obtain external funding through grants or bursaries, the Trustees believe that it is important to consider the composition of the charity's funding sources, noting particularly the various sources of income.

In 2023 the charity's income amounted to £756,129 compared with £370k in 2022. Of this 73% (£555,012) (2022: 49% (£183k)) was generated from donations and legacies, 22% (£166,350) (2022: 38% (£139k)) from charitable activities, 0.6% (£5k) (2022: 1% (£5k)) from investments and interest receivable and 4% (£29,873) (2022: 12% (£42k)) from trading or other sources.

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.

Financial review (continued)

Reserves policy (continued)

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

Provision of working capital	7 months @ £351k/12	£205,056
Risk mitigation	12 weeks @ £59,468/52	£13,723
Capital for activities investment		£25,000
Total reserves		£243,779

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 2023, the Trustees recommend setting the reserves figure at £245,000. 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 2023 were £389,135 (2022: £136,104) and this equated to more than 33 weeks of operational expenditure. This level is slightly higher than that required under the above policy. The Trustees consider that policies are in place which will maintain reserves at an adequate level.

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.

2024 will see a significant building expenditure requirement on identified roofing works to the main house which may exceed the existing designated property fund provision, and an increase in staff levels to ensure delivery of the charity's objectives are operationally sustainable and in line with growth.

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 considering 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

- ◆ 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 further to include some specialist retreats, a new Retiring Well retreat and the continuation of the existing programme of Healing and Rest and Refreshment Retreats.
- ◆ Develop the network of users for The Dwelling Place Café.
- ◆ Continue to develop the Bookshop.
- ◆ 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.
- ◆ Complete the refurbishment of the downstairs bedrooms.
- ◆ Complete the IT upgrade and launch the new website.
- ◆ Seek grant funding to secure the ongoing ministry of Harnhill including both operational and project-based activities.
- ◆ Review staffing needs with a view to augmenting skills in Marketing, Grants Fundraising and administration.

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 judgements 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.

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

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 into 2024. 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, and the addition of cyber insurance cover in 2023 the Trustees consider to be adequate. Following review in March 2024, the areas of highest risk before control measures include:

- ◆ Loss of key staff.
- ◆ Lack of contingency planning in the event of a disaster affecting buildings.
- ◆ Computer virus or loss/corruption or theft of data and information.
- ◆ Risks associated with guest vulnerability, disclosure/non-disclosure, and safeguarding.
- ◆ Reputational risk.
- ◆ Over dependence on income source.

The planned migration to the Cloud to mitigate computer / data risks was not completed in 2023 but is planned for the second quarter in 2024. All policies were reviewed at the start of 2024 with recommendations submitted to the Trustees.

Loss of key staff remained the greatest risk. Something which is inevitable when relying on a small Team of staff whose contribution is far greater than their number. Careful consideration has been given to staffing levels and the intention in 2024 to consider administrative support to reduce workload pressures, along with increasing the number of residential Team as opportunities arise will also reduce the dependency on particular Team members.

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.

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

Structure and management reporting (continued)

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 full-time and part-time Team of 11 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. The Trustees have established a Marketing and Fundraising 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:

Trustee: Lavinia R Rank

Date of approval: 2 August 2024

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 2023, 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 2023 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 can detect 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 us 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

2 August 2024

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 2023

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income from:							
Donations and legacies	1	491,865	63,147	555,012	181,760	1,400	183,160
Investments and interest receivable	2	4,894	—	4,894	4,867	—	4,867
Other trading activities	3	20,472	—	20,472	15,290	—	15,290
Charitable activities	4	166,350	—	166,350	155,405	—	155,405
Other sources							
. Miscellaneous		9,401	—	9,401	11,453	—	11,453
Total income		692,982	63,147	756,129	368,775	1,400	370,175
Expenditure on:							
Raising funds	5	17,484	—	17,484	12,110	—	12,110
Charitable activities	6	439,360	35,185	474,545	450,970	23,011	473,981
Total expenditure		456,844	35,185	492,029	463,080	23,011	486,091
Net income (expenditure) for the year before net investment (losses) gains							
		236,138	27,962	264,100	(94,305)	(21,611)	(115,916)
Net investment gains (losses)		15,397	—	15,397	(21,835)	—	(21,835)
Net income (expenditure) before transfers		251,535	27,962	279,497	(116,140)	(21,611)	(137,751)
Transfers between funds	17	—	—	—	(2,384)	2,384	—
Net income (expenditure) and net movement in funds	8	251,535	27,962	279,497	(118,524)	(19,227)	(137,751)
Reconciliation of funds:							
Fund balances brought forward at 1 January 2023		2,523,352	4,776	2,528,128	2,641,876	24,003	2,665,879
Fund balances carried forward at 31 December 2023	19	2,774,887	32,738	2,807,625	2,523,352	4,776	2,528,128

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 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	11		2,305,338		2,310,840
Investments	12		179,046		163,649
			2,484,384		2,474,489
Current assets					
Stocks	13	13,179		6,648	
Debtors	14	59,601		29,744	
Cash at bank and in hand		289,692		51,711	
		362,472		88,103	
Creditors: amounts falling due within one year	15	(39,231)		(34,464)	
Net current assets			323,241		53,639
Total net assets			2,807,625		2,528,128
Funds					
Unrestricted funds					
. Tangible fixed assets fund	16		2,305,338		2,310,840
. Designated funds	18		80,414		80,000
. General fund			389,135		132,512
Restricted funds	17		32,738		4,776
			2,807,625		2,528,128

Approved by the Trustees and signed on their behalf by:

Trustee: Lavinia R Rank

Approved on: 2 August 2024

Statement of cash flows Year ended 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	248,262	(85,300)
Cash flows from investing activities:			
Investment income and interest received		4,894	4,867
Purchase of tangible fixed assets		(15,175)	(17,446)
Net cash used in investing activities		(10,281)	(12,579)
Change in cash and cash equivalents in the year		237,981	(97,879)
Cash and cash equivalents at 1 January 2023		51,711	149,590
Cash and cash equivalents at 31 December 2023	B	289,692	51,711

Notes to the statement of cash flows for the year ended 31 December 2023.

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	279,497	(137,751)
Adjustments for:		
Depreciation charge	20,677	20,644
(Gains) losses on investments	(15,397)	21,835
Investment income and interest receivable	(4,894)	(4,867)
(Increase) decrease in stocks	(6,531)	1,158
Increase in debtors	(29,857)	(2,502)
Increase in creditors	4,767	16,183
Net cash provided by (used in) operating activities	248,262	(85,300)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Total cash and cash equivalents: Cash at bank and in hand	289,692	51,711

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 2023

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 2023 with comparatives provided in respect to the year end 31 December 2022.

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)

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 four hundred years old, with later additions. It is used in its entirety for direct charitable purposes including residential and retreat accommodation, except for 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 on the following basis:

Furniture over a ten-year period on a straight line basis;

Domestic Equipment over a four-year period on a straight line basis; and IT equipment on a five-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 2023 £	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Donations	168,829	63,147	231,976	179,760	1,400	181,160
Legacies	323,036	—	323,036	2,000	—	2,000
	491,865	63,147	555,012	181,760	1,400	183,160

2 Income from: Investments and interest receivable

	Unrestricted funds	
	Total funds 2023 £	Total funds 2022 £
Income from listed investments	4,894	4,867

3 Income from: Other trading activities

	Unrestricted funds	
	Total funds 2023 £	Total funds 2022 £
Café	7,664	5,556
Book sales	12,808	9,734
	20,472	15,290

4 Income from: Charitable activities

	Unrestricted funds	
	Total funds 2023 £	Total funds 2022 £
Course fees and facilities hire	36,217	24,218
Residential fees	130,133	131,187
	166,350	155,405

5 Expenditure on: Raising funds

	Unrestricted funds	
	Total funds 2023 £	Total funds 2022 £
Bookstall costs	11,988	7,556
Mailing costs	1,203	632
Advertising and brochure costs	4,214	3,474
Other fundraising costs	79	448
	17,484	12,110

6 Expenditure on: Charitable activities

	Unrestricted funds	Restricted funds	Total funds 2023	Unrestricted funds	Restricted funds	Total funds 2022
	£	£	£	£	£	£
Staff costs (note 9)	222,436	20,000	242,436	227,418	20,000	248,626
Food and household costs	48,703	341	49,044	45,612	—	45,612
Premises costs	101,432	13,496	114,928	97,923	1,636	99,559
Travel expenses	774	—	774	552	91	643
Office and administration costs	25,236	—	25,236	28,920	—	28,920
Legal and professional fees	9,826	—	9,826	19,192	—	19,192
Depreciation	20,677	—	20,677	20,644	—	20,644
Course expenditure	3,833	105	3,938	1,404	—	1,404
Bursaries granted	—	1,243	1,243	(464)	1,284	820
Governance (note 7)	6,443	—	6,443	8,561	—	8,561
	439,360	35,185	474,545	450,970	23,011	473,981

7 Governance costs

	Unrestricted funds	
	Total funds 2023	Total funds 2022
	£	£
Auditor's remuneration	5,330	7,370
Accountancy fees	1,113	1,191
	6,443	8,561

8 Net income and net movement in funds

This is stated after charging (crediting):

	Total funds 2023	Total funds 2022
	£	£
Staff costs (note 9)	242,436	248,626
Auditor's remuneration		
.. Statutory audit fee – current year		
.. Current year	6,433	6,270
.. Prior year	—	1,100
.. Other fees: taxation and pension advisory services	—	4,920
Operating lease payments	2,246	2,246
Depreciation	20,677	20,644

9 Staff costs and key management personnel

Staff costs during the year were as follows:

	Total funds 2023	Total funds 2022
	£	£
Wages and salaries	210,787	218,065
Social security costs	13,724	12,207
Pension contributions	17,925	18,384
	242,436	248,626

9 Staff costs and key management personnel (continued)

The average number of employees (excluding agency staff) during the year was 14 (2022 – 16).

No employee earned £60,000 per annum or more (including taxable benefits) during the year (2022 – none).

Key management personnel

The Trustees consider that they, together with the Director and the Bursar 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 £65,502 (2022 – £32,708, consisting of the Trustees and Director only).

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 £	2023 Total £
Cost					
At 1 January 2023	2,207,491	96,163	88,871	18,728	2,411,253
Additions	—	3,973	11,202	—	15,175
At 31 December 2023	<u>2,207,491</u>	<u>100,136</u>	<u>100,073</u>	<u>18,728</u>	2,426,428
Accumulated depreciation					
At 1 January 2023	—	43,855	37,830	18,728	100,413
Charge for year	—	9,694	10,983	—	20,677
At 31 December 2023	<u>—</u>	<u>53,549</u>	<u>48,813</u>	<u>18,728</u>	121,090
Net book values					
At 31 December 2023	<u>2,207,491</u>	<u>46,587</u>	<u>51,260</u>	<u>—</u>	2,305,338
At 31 December 2022	<u>2,207,491</u>	<u>52,308</u>	<u>51,041</u>	<u>—</u>	<u>2,310,840</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 four hundred 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 £2,592 (2022: £3,110) 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 (2022: £518).

12 Investments

	2023 £	2022 £
Listed investments		
Fair (market) value at 1 January 2023	163,649	185,484
Additions at cost	—	—
Unrealised gains (losses) on revaluation	15,397	(21,835)
Fair (market) value at 31 December 2023	179,046	163,649
Cost of listed investments at 31 December 2023	180,000	180,000
	179,046	163,649

Listed investments held at 31 December 2023 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

	2023 £	2022 £
Bookshop	5,349	3,207
Oil	7,631	3,336
Miscellaneous items	199	105
	13,179	6,648

14 Debtors

	2023 £	2022 £
Sundry debtors	25,557	9,012
Gift Aid tax repayments due	13,326	3,015
Prepayments and accrued income	20,718	17,717
	59,601	29,744

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Social security and other taxation	—	7,342
Accruals, deferred income and other creditors	39,231	27,122
	39,231	34,464

16 Tangible fixed assets fund

	2023 £	2022 £
At 1 January 2023	2,310,840	2,314,038
Net movement in year	(5,502)	(3,198)
At 31 December 2023	2,305,338	2,310,840

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 2023 £	Income £	Expenditure £	Transfers £	At 31 December 2023 £
Guest bedroom fund	897	—	(897)	—	—
Chapel conversion fund	105	—	(105)	—	—
Ministries salaries fund	—	20,000	(20,000)	—	—
SLG Capital Grant	—	38,500	(11,867)	—	26,633
Other funds	3,774	4,647	(2,316)	—	6,105
	4,776	63,147	(35,185)	—	32,738

	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
	24,003	1,400	(23,011)	2,384	4,776

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 **SLG capital grant** consists of consists of monies received for five capital projects. Three projects supporting guest comfort and refurbishments, café development, funding LED lighting conversion across the site.

18 Designated funds

	At 1 January 2023 £	Designated £	Utilised £	At 31 December 2023 £
Property repairs fund	80,000	—	—	80,000
Bursary Fund	—	414	—	414
	80,000	414	—	80,414

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 2023 £
Balances at 31 December 2023 are represented by:					
Tangible fixed assets	—	2,305,338	—	—	2,305,338
Investments	179,046	—	—	—	179,046
Net current assets	210,089	—	32,738	80,414	323,241
	389,135	2,305,338	32,738	80,414	2,807,625

	Unrestricted fund £	Tangible fixed assets fund £	Restricted funds £	Designated funds £	Total 2022 £
Balances at 31 December 2022 are represented by:					
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
	132,512	2,310,840	4,776	80,000	2,528,128

19 Analysis of net assets between funds (continued)

	Total 2023 £	Total 2022 £
Total unrealised gains (losses) included above:		
On investments	15,397	(16,351)
Reconciliation of movements in unrealised (losses) gains		
Unrealised (losses) gains at 1 January 2023	(16,351)	5,484
Net gains (losses) arising on revaluation in the year	31,748	(21,835)
Unrealised gains (losses) at 31 December 2023	15,397	(16,351)

20 Leasing commitments

Operating leases

The charity had commitments under non-cancellable operating leases for furniture and equipment at 31 December 2023 as follows:

	2023 £	2022 £
Payable within:		
. One year	2,933	2,246
. Two to five years	11,730	2,246
	14,663	4,492

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 (2022: none). During the year, travel and mileage expenses amounting to £nil (2022: £nil) were reimbursed to the Trustees (2022: none).

During the year to 31 December 2023, total donations to the charity from the Trustees amounted to £8,125 (2022: £12,925).

During the year to 31 December 2023, the charity received a grant of £nil (2022: £10,000) 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 £nil (2022: £1,000) were received from Kemble Parish County Council, which one of the Trustees has significant influence over.

During the year to 31 December 2023, the charity used the facilities of St Michael's Church and therefore made contributions to heating costs. The total contribution in the year was £2,100. A trustee is an employee of this Church.

There were no other related party transactions during the year (2022: none).