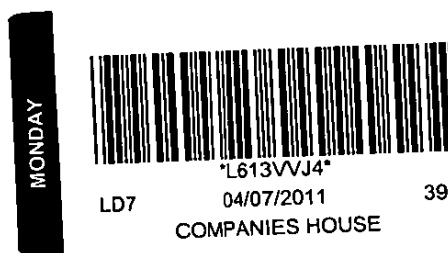


**HARVESTER TRUST TONBRIDGE**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**



**Company Registration No. 3560985**  
**Charity Registration No. 1072895**

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**HARVESTER TRUST TONBRIDGE**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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**HARVESTER TRUST TONBRIDGE**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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<b>Trustees</b>	Mr R Barker Mr M Cameron Mr S Weil (Chair) Reverend N Lee (Resigned April 2010)
<b>Chief Executive</b>	Mr R Foxwell (resigned August 2010)
<b>Secretary</b>	Broadway Secretaries Ltd
<b>Registered Office</b>	50 Broadway Westminster London SW1H 0BL
<b>Bankers</b>	National Westminster Bank plc City of London Office 1 Princes Street London EC2R 8PA
<b>Auditors</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
<b>Solicitors</b>	Bircham Dyson Bell LLP 50 Broadway Westminster London SW1H 0BL
<b>Company Number</b>	3560985
<b>Registered Charity Number</b>	1072895

## **HARVESTER TRUST TONBRIDGE**

### **TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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The Trustees present their Report and Financial Statements for the year ended 31 December 2010. The financial statements are in accordance with the memorandum and articles of association and Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) and the Companies Act 2006.

#### **STRUCTURE**

Harvester Trust Tonbridge (**the Trust**) was established in 1998 as a company limited by guarantee and is a registered charity.

The Trust is governed by its Memorandum and Articles of Association and is registered as a company in England under Company Number 3560985. It is also registered with the Charity Commission for England and Wales under Charity Number 1072895.

The Trust worked only in England in 2010 and no international grants were made.

#### **OBJECTIVES AND ACTIVITIES**

The primary object of the Trust as stated in its Memorandum and Articles of Association is to advance the Christian religion (**the Object**).

The Trustees are pursuing the Object in five principal ways:

- the operation of a Christian conference centre for use as a place of Christian worship and by local community groups and schools,
- the construction and operation of a Christian community café to be called the Gateway for use as a centre for young people and the local community through which the Christian religion will be advanced
- the construction and operation of a Christian education and training centre primarily for young people,
- the provision of support for people in need in the local community through the Trust's 'Open Hands' initiative, and
- gifts to Christian causes which are charitable in accordance with the laws of England and Wales.

In 2009 the Trustees completed their review of the Object concluding that the Object should be widened to include the relief of poverty, the advancement of education and the relief of those in need by reason of youth, age, ill-health, disability or other disadvantage which is charitable under the laws of England and Wales. The Trustees retain the intention of applying to the Charity Commission to amend the object, however, no steps have been taken as wide consultation has been progressing.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

In each of the sections below, we have set out how the Trust meets the public benefit test.

#### **ACHIEVEMENTS AND PLANS**

##### **Christian Conference Facility**

The Trust established its conference facility (**the River Centre**) in 2002 through a trading subsidiary, Harvest Conferences Limited (**the Company**). The Centre also served as the meeting place for the River Centre Church until the end of 2010 and continued to be used as a place of Christian worship throughout the year. The arrangements between the Trust and the River Centre Church ended on 31 December 2010.

The Trustees have had a long association with the Renewal Churches Trust (**RCT**) which operates the River Centre Church and wish to thank RCT and the members of the River Centre Church for the support given to the Trust over the years of their association.

The intention of the Trust has been to ensure that the Centre was available for the advancement of the Christian religion. This would entail its being available not simply for Christian worship but to provide general assistance to charities and the community as a whole using the Christian precept of "help thy neighbour". Such registered charities, community and educational organisations are able to use the Centre at a significantly reduced rate when compared to a commercial hire facility with equivalent amenities.

## **HARVESTER TRUST TONBRIDGE**

### **TRUSTEES REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **ACHIEVEMENTS AND PLANS (continued)**

From the commissioning stages of the Centre, it has been clear to the Trust that the Centre would not be self funding. Therefore, the Trust provides a subsistence grant to the Company to allow the Company to provide one of the key charitable activities of the Trust, the operation of the Centre itself. The Trust again provided a grant to the Company in 2010 to ensure that the Centre was available for this purpose.

The Centre continued to be used by a wide range of local community groups in 2010.

During the year the Trustees have undertaken a business review of the Centre's activities and this has resulted in changes to the staffing structure and operating methods designed to provide a more cost effective operation to deliver high quality services to its beneficiaries and to increase usage of the Centre. The review did result in several redundancies and other members of the team chose to leave. The Trustees are consulting on further changes to develop a smooth operating structure to meet the needs of beneficiaries and service users.

By hiring out parts of the Centre to local public sector organisations, commercial companies and individuals wishing to hold conferences and other events the Company is able to make a contribution towards the overall operating costs of the Centre. In 2010 turnover and gross profit increased by 11% and administrative costs were reduced by 4%.

#### **Community Café**

A community café (to be known as The Gateway) is in the process of being built and was scheduled to be completed in 2010. However a review of the whole project has been undertaken to ensure best value for money is achieved for the building and the use of available restricted funds. A revised scheme for a two storey building has now been approved by the Planners and the building will be completed in 2011. Previously the Trust had identified a need for a place for young people to meet in Tonbridge. The Gateway Café will provide a meeting place for young people in the area, regardless of their faith and provide a means of accessing help and assistance should they need it. It will also provide a centre to meet for other groups served by the Trust.

#### **Christian Educational Facility**

The Trust is seeking to develop an educational seminary within the boundaries of property which it owns in Tonbridge. It is intended that the seminary will be a place of worship and study and will allow the Trust to advance the Christian religion through its teachings and the teachings of those Christian ministers trained by the Trust.

Although all the necessary planning consents are in place the funding of the seminary is dependent on the sale of the 73 apartments. In light of the current uncertainty in the economy and residential property market the development of the educational seminary has been put on hold. The situation will continue to be reassessed during 2011.

#### **Grants**

The Trustees have resolved to restrict grants to Open Hands as discussed below.

#### **Open Hands**

The Trust has been unable to maintain the same level of resources for the Trust's 'Open Hands' initiative in 2010 as in previous years primarily due to the reduction in the level of donations to the Trust.

However, Open Hands continued to support low income families and individuals in the local community through a variety of means including home starter packs, new baby packs, essential household goods and emergency food.

In conjunction with the YWCA - 'Young Women's Project' four 'Food for thought' courses were held. An average of six young women attended the five week courses, learning basic cooking skills and healthy eating on a budget. Open Hands continues to work closely with YWCA to provide the opportunity for young women to develop new skills and build their confidence.

## **HARVESTER TRUST TONBRIDGE**

### **TRUSTEES REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **ACHIEVEMENTS AND PLANS (continued)**

As in previous years Open Hands has hosted quarterly meetings in conjunction with Connexions, attended by professional support workers who work with children and young people. This enables them to network and increase their knowledge of the different services available to their clients. The River Centre also provides rooms for Social Workers to bring children for supervised family contact time for parents who do not live with their children.

#### **Volunteers**

The Trust wishes to thank its volunteers and other supportive individuals and organisations for their dedication, hard work and assistance with the Open Hands initiative and the operation of the Trust in enabling it to achieve its Object of advancing the Christian region.

#### **FINANCIAL REVIEW**

Until the end of 2010 the Trust was the nominated charity of Renewal Churches Trust, a charity which operates a Christian Church which meets at the Centre and donations from members of the Church provide the majority of the voluntary income of the Trust.

The voluntary income for 2010 amounted to £178,461 (2009 £226,006) and comprised donations by individuals and pro bono services of £63,000.

The Trust's principal financial commitment during the year has been made to the continuing development and operation of the Centre. The total grant provided to maintain the Centre was £147,500 (2009 £168,000).

Resources have also been expended on the Trust's Christian ministry of £349,443 (2009 £210,636) and the Open Hands ministry £61,167 (2009 £84,560).

The Trust has general funds of £5,294,325 (2009 £5,754,446) at the end of the year. Of these, £4,857,464 (2009 £4,723,120) are loaned to the Trust's subsidiary in support of the construction and fitting out of the Centre.

The Trust's free reserves, excluding those held as fixed assets, were £121,447 (2009 £784,820). These funds are required to support the Trust's future plans as outlined above.

Restricted funds of £850,147 (2009 £889,976) were held at the end of the year specifically for the construction of the Gateway building project. Based on current estimated costs these funds are adequate to complete the construction of the Gateway in 2011.

During the restructuring and redundancy process a number of issues were raised with the Trustees. A number of these were complex legal issues and the Trustees were forced to take substantial amounts of legal advice. All matters were settled in favour of the Trust but the increase in professional costs in 2010 was substantial. The Trustees are working to ensure that this is not repeated in 2011.

#### **RESERVES POLICY**

The appropriateness of the reserves policy has been reviewed by the Trustees taking into consideration the degree of risk associated with the Trust's income and have concluded that overall level of unrestricted free reserves should be maintained at a level of six months of operational expenditure.

Current reserves are lower than the Trustees would normally wish to see in the reserves fund. Steps have been taken to increase income so that the reserves can be increased and the financial position is under regular review. It is hoped that the steps taken will ensure that reserves increase to the preferred level by the end of 2011.

#### **GOVERNANCE**

The Board of Trustees currently consists of 3 unremunerated Trustees, who are also directors of the company limited by guarantee. The Trustees serving during the year are listed on page 1. The Trust is in the process of recruiting an additional Trustee in 2011.

## **HARVESTER TRUST TONBRIDGE**

### **TRUSTEES REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **GOVERNANCE (continued)**

As a Christian charity, the Trust looks for Trustees who are committed to the advancement of the Christian religion and have professional, ministerial and/or practical experience which will contribute to the effective management and operation of the Trust

In accordance with the Trust's constitution, new trustees are appointed by the majority of Trustees attending the meeting at which an appointment proposed is affirmed. All Trustees receive the Charity publication Governance and are encouraged to attend courses on Charity law and management

The Trustees receive training from the Trust's lawyers and are also encouraged to attend training courses and charity related events. The Trustees' also receive briefings on legal, accounting and charity issues from a number of sources

New Trustees are taken through an induction process involving their training concerning the principles on which the Trust's accounts are based and the operational activities of the Trust

The Board is responsible for setting policy, agreeing strategy and approving major commitments based on the advice from senior management, as well as the appointment of the Chief Executive. Day to day operational matters would normally be delegated by the Board to the Chief Executive. However, in the current circumstances the Trustees have delegated some functions to a senior administrator and others to specialist consultants e.g. finance and matters relating to the property portfolio. The Board aims to meet bi-monthly to administer the Trust and review monthly management accounts which are prepared by the Trust's accountants for review by the Trustees in conjunction with the Trust's finance manager

#### **RISK**

Whilst the Trustees believe that the major risks which the Trust faces have been identified and that appropriate steps have been taken to mitigate or manage the risks a review of the Trust's Risk Policy is in the process of completion

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of the Harvester Trust Tonbridge for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as we are aware

- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

## **HARVESTER TRUST TONBRIDGE**

### **TRUSTEES REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **FUTURE PLANS**

The Trust's strategy is to advance the Christian religion primarily in the local community by making its River Centre facilities available to as many people as possible. Over the last ten years the River Centre has been supported in this purpose by past and present members of RCT, who have met at the River Centre as their place of worship and gave financial support to the Harvester Trust towards the running of the Centre. In reviewing the current use of the Centre and its operations and the use of the Centre as a place of worship coupled with the changing circumstances of RCT it became evident that RCT was no longer in a position to provide the level resources to fund the Centre and increase its use as a place of worship and the relationship ended at the end of 2010.

At the beginning of 2011 the Trustees successfully concluded discussions with a new church committed to the Trust's aims. From March 2011, HillSong Church London holds regular Sunday services at the Centre with their aim of building a new Kent based church reaching across the whole spectrum of the community. Work will continue to strengthen the services and the marketing of the Centre to external organisations and private individuals in order to generate income to cover the cost of running the building.

Now that the revised plans have been approved the construction of the Gateway Café will be completed in 2011 within the restricted funds set aside for the project. The Trustees are currently developing a business plan for the operation of the Gateway Café.

The Trust will complete its review the potential opportunities for the utilisation of the Trust's land and buildings which are being held for development. Where these are not considered to be core to achieving the Trust's objectives consideration will be given to their disposal.

New opportunities will be sought to increase the level of funds available to meet the Trust's objectives including providing additional funds to the 'Open Hands' initiative so that a greater number of people in need can be supported as well as being able to launch new initiatives to provide new skills to young people.

In April 2011, the property at Ashby's Yard was sold for £550,000.

#### **AUDITORS**

haysmacintyre were appointed as auditors during the year. A resolution to re-appoint haysmacintyre will be proposed at a future Board meeting.

The Report of the Council has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the Trustees



Mr S Weil

// May 2011

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE  
HARVESTER TRUST TONBRIDGE**

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We have audited the financial statements of The Harvester Trust Tonbridge for the year ended 31 December 2010 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, and the related notes. The financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Financial Reporting Standards for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group and charitable company's affairs as at 31 December 2010 and of group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

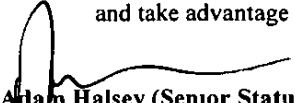
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report.

  
Adam Halsey (Senior Statutory Auditor)  
for and on behalf of Haysmacintyre  
Chartered Accountants and Statutory Auditors

11 May 2011

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

# HARVESTER TRUST TONBRIDGE

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2010

		Unrestricted Funds £	Restricted Funds £	2010 Total Funds £	2009 Total Funds £
INCOMING RESOURCES	Notes				
<i>Incoming resources from generated funds*</i>					
Voluntary income	2	178,461	-	178,461	226,006
Activities for generating funds					
Trading income of subsidiary	3	189,082	-	189,082	166,926
Interest receivable		2,646	-	2,646	170
<i>Incoming resources from Charitable Activities*</i>					
Operation of Christian Centre	3	10,194	-	10,194	11,709
Other income	4	19,419	-	19,419	-
<b>Total incoming resources</b>		<b>399,802</b>	<b>-</b>	<b>399,802</b>	<b>404,811</b>
<b>RESOURCES EXPENDED</b>					
<i>Cost of generating funds</i>					
Trading expenditure on subsidiary		74,670	-	74,670	66,564
<i>Charitable activities</i>					
Operation of Christian Centre	5	466,485	-	466,485	498,145
Christian ministry	5	391,653	-	391,653	210,636
Open Hands ministry	5	61,167	-	61,167	84,560
Tax payable	5	25,571	-	25,571	109,753
<b>Governance costs</b>	5	<b>96,570</b>	<b>-</b>	<b>96,570</b>	<b>24,112</b>
<b>Total resources expended</b>		<b>1,116,116</b>	<b>-</b>	<b>1,116,116</b>	<b>993,770</b>
<b>Net outgoing resources before transfers</b>	7	<b>(716,314)</b>	<b>-</b>	<b>(716,314)</b>	<b>(588,959)</b>
Transfers	13	39,829	(39,829)	-	-
<b>Net movement in funds</b>		<b>(676,485)</b>	<b>(39,829)</b>	<b>(716,314)</b>	<b>(588,959)</b>
<b>Reconciliation of funds</b>					
Funds brought forward		7,200,554	1,010,191	8,210,745	8,799,704
Funds carried forward	13	<u>£6,524,069</u>	<u>£970,362</u>	<u>£7,494,431</u>	<u>£8,210,745</u>

The charity had no recognised gains or losses other than those included in the above statement

All of the charity's activities during the above two financial years derived from continuing activities

The accompanying notes form part of the financial statements

**HARVESTER TRUST TONBRIDGE**
**Company Number: 03560985**
**CONSOLIDATED BALANCE SHEET**
**AS AT 31 DECEMBER 2010**

	Notes	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	8		9,279,504		9,370,933
<b>CURRENT ASSETS</b>					
Stock		-		9,623	
Debtors	10	27,326		75,064	
Cash at bank and in hand		1,175,526		1,949,507	
			1,202,852	2,034,194	
<b>CREDITORS: amounts falling due within one year</b>	11	(107,925)		(314,382)	
<b>NET CURRENT ASSETS</b>			1,094,927		1,719,812
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			10,374,431		11,090,745
<b>CREDITORS: amounts falling due after more than one year</b>	12		(2,880,000)		(2,880,000)
<b>NET ASSETS</b>			<u>£7,494,431</u>		<u>£8,210,745</u>
<b>FUNDS</b>					
	13				
Unrestricted funds			5,294,325		5,754,446
Restricted funds			970,362		1,010,191
Subsidiary company			1,229,744		1,446,108
			<u>£7,494,431</u>		<u>£8,210,745</u>

The financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the Trustees on 11 May 2011 and signed on their behalf, by



Mr S Weil  
Trustee

The accompanying notes form part of the financial statements

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	£	2010	£	£	2009	£
<b>FIXED ASSETS</b>							
Tangible assets	8			315,412			266,504
Investments	9			4,857,466			4,723,122
<b>CURRENT ASSETS</b>							
Debtors	10	6,849			42,493		
Cash at bank and in hand		1,174,508			1,940,040		
<b>CREDITORS</b> amounts falling due within one year	11	(89,548)			(207,522)		
<b>NET CURRENT ASSETS</b>				1,091,809			1,775,011
<b>NET ASSETS</b>				<u>£6,264,687</u>			<u>£6,764,637</u>
<b>FUNDS</b>							
	13						
Unrestricted funds				5,294,325			5,754,446
Restricted funds				970,362			1,010,191
				<u>£6,264,687</u>			<u>£6,764,637</u>

The financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the Trustees on 11 May 2011 and signed on their behalf, by



Mr S Weil  
Trustee

The accompanying notes form part of the financial statements

# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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### 1 ACCOUNTING POLICIES

**a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in March 2005, applicable accounting standards and the Companies Act 2006.

**b) Consolidation**

These financial statements consolidate the results of the charity and its wholly owned subsidiary, Harvester Conferences Limited, on a line by line basis.

The charity has opted under paragraph 397 of the SORP not to present its own Statement of Financial Activities.

**c) Interest receivable**

Interest receivable is accounted for on an accruals basis.

**d) Donations and gifts**

Donations and gifts are included in incoming resources when receivable. Donated services are included at the estimated time and charge rates of the individuals providing the service to the charity.

**e) Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any unrecoverable VAT.

*Costs of generating funds* include the expenditure of the trading subsidiary, Harvester Conferences Limited, including bank loan interest.

*Charitable activities* include expenditure on, a Christian centre, gifts to Christian causes and the Trust's 'Open Hands' community project.

*Governance costs* include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

Expenditure not directly attributable to charitable activities and governance costs is apportioned on an appropriate basis as shown in note 5.

**f) Fixed assets**

Freehold land is not depreciated. All other fixed assets are depreciated to write off their cost over their estimated useful lives at the following rates:

Freehold buildings	- 2% straight line
Leasehold buildings	- 2% straight line
Furniture fittings and equipment	- 10% - 33% straight line
Motor vehicles	- 25% straight line

**g) Funds**

Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees. Designated funds are unrestricted funds set aside for specific projects.

Restricted funds are funds to be used for specific purposes as laid down by the donor.

**h) Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2010

2. VOLUNTARY INCOME	2010 £	2009 £
Donations	68,901	120,812
Donated professional services (note 15)	63,000	-
Deeds of Covenant and Gift Aid	46,560	105,104
	<u>£178,461</u>	<u>£226,006</u>

### 3 SUBSIDIARY COMPANY

The company owns the whole of the issued share capital of Harvester Conferences Limited. The principal activity of the subsidiary is to operate a Christian Conference Centre in Tonbridge, Kent. Harvester Conferences Limited is a company registered in England. Its results for the year, as extracted from the audited accounts, are summarised below, together with the Trust's own results for the year to distinguish them from the group results in the consolidated Statement of Financial Activities.

	Subsidiary		Charity	
	2010 £	2009 £	2010 £	2009 £
Turnover from trading activities	189,082	166,926		
Charitable activities and voluntary income	10,194	11,709	178,461	226,006
Cost of sales	(74,670)	(66,564)		
<b>Gross profit</b>	<u>124,606</u>	<u>112,071</u>		
Administrative expenses	(270,444)	(317,123)		
From Harvester Trust	147,500	164,368		
Other operating income	1,518	-		
<b>Operating profit/(loss) before depreciation</b>	<u>3,180</u>	<u>(40,684)</u>		
Depreciation	(151,795)	(164,118)		
Interest receivable	367	6	2,279	164
Interest payable				
Group	(23,872)	(24,334)	23,872	24,334
Other	(44,246)	(16,904)		
Other income	-	-	17,901	-
<b>Loss for the year</b>	<u>(216,366)</u>	<u>(246,034)</u>		
<b>Net assets at 31 December 2010</b>	<u>£1,229,744</u>	<u>£1,446,110</u>		
<b>Gross income resources – Charity</b>			<u>222,513</u>	<u>250,504</u>
<b>Charitable activities</b>				
From subsidiary			(147,500)	(164,368)
Christian Ministry			(391,653)	(210,636)
Open Hands			(61,167)	(84,560)
Tax payable			(25,571)	(109,753)
Governance costs			(96,570)	(24,112)
<b>Net movements in funds – Charity</b>			<u>£(499,948)</u>	<u>£(342,925)</u>

**HARVESTER TRUST TONBRIDGE****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2010****4. OTHER INCOME**

Other income includes £17,901 insurance claims and £1,518 gain from the disposal of fixed assets

**5. CHARITABLE ACTIVITIES AND GOVERNANCE COSTS**

	<b>Christian Centre £</b>	<b>Christian Ministry £</b>	<b>Open Hands £</b>	<b>Governance Costs £</b>	<b>Total 2010 £</b>	<b>Total 2009 £</b>
<b>Direct costs</b>						
Purchases	-	-	39,180	-	39,180	66,374
<b>Support costs</b>						
Office costs	126,763	5,771	641	-	133,175	161,889
Wages and salaries	90,764	181,121	20,125	-	292,010	265,367
Professional fees	26,598	194,532	-	95,814	316,944	96,844
Advertising and promotion	9,484	422	47	-	9,953	10,319
Bank charges and interest	56,633	947	105	-	57,685	32,751
Depreciation	151,795	2,812	313	-	154,920	167,243
Insurances	4,448	6,048	756	756	12,008	16,666
	<u>466,485</u>	<u>319,653</u>	<u>61,167</u>	<u>96,570</u>	<u>1,015,875</u>	<u>817,453</u>
Tax payable	-	25,571	-	-	25,571	109,753
	<u>£466,485</u>	<u>£417,224</u>	<u>£61,167</u>	<u>£96,570</u>	<u>£1,041,446</u>	<u>£927,206</u>

Support costs, other than professional fees specifically allocated, are allocated to activities on the basis of the estimated time spent on those activities

**6. STAFF COSTS (Group)**

	<b>2010 £</b>	<b>2009 £</b>
Wages and salaries	197,420	216,651
Social security costs	28,298	22,545
Pension costs	22,298	26,171
Redundancy	43,995	-
	<u>£292,011</u>	<u>£265,367</u>

# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 6. STAFF COSTS (Group) (continued)

The number of employees who received remuneration at higher levels as defined in the Charities Statement of Recommended Practice 2005 was

	2010 Number	2009 Number
£70,001 - £80,000	-	1
£130,001 - £140,000	1	-

Pension contributions amounting to £ 11,343 (2009 £9,000) were paid into a defined contribution pension scheme on this employee's behalf

The remuneration of all employees is determined by a remuneration committee on an annual basis in accordance with salary levels for the charity sector provided by Croner Reward

	2010 Number	2009 Number
The average number of full time equivalent staff employed during the year was		
Operation and administration of Centre	3	7

#### 7 NET MOVEMENT IN FUNDS

This is stated after charging:

	2010 £	2009 £
Auditors' remuneration - audit fees	9,000	11,500
- other work	1,750	3,810
Loss on disposal of tangible fixed assets - owned	-	-
Depreciation of tangible fixed assets - owned	154,920	167,243

#### 8. FIXED ASSETS

Group	Land and buildings £	Other tangible fixed assets £	Total £
<b>Cost or valuation</b>			
At 1 January 2010	9,783,132	537,172	10,320,304
Additions	59,100	4,391	63,491
At 31 December 2010	9,842,232	541,563	10,383,795
<b>Depreciation</b>			
At 1 January 2010	617,008	332,363	949,371
Charge for the year	106,860	48,060	154,920
At 31 December 2010	723,868	380,423	1,104,291
<b>Net Book Value</b>			
At 31 December 2010	£9,118,364	£161,140	£9,279,504
At 31 December 2009	£9,166,124	£204,809	£9,370,933

# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 8 FIXED ASSETS (continued)

Included in the land and buildings is land held for development which has been revalued at £3.5m (original cost £874,664). The valuation was carried out by Paul Atherton MRICS on behalf of Savills (L&P) Limited on a market value basis as at 31 December 2007 assuming vacant possession and with the benefit of planning consent for development. The directors do not consider this land to have suffered a permanent impairment in value as the current market indicators show an improvement in demand in the housing market. In addition, the directors will not consider selling the property until their professional advisors indicate that it is favourable to do so thus eliminating the risk of realising any loss.

Company	Freehold Property £	Other tangible fixed assets £	Total £
<b>Cost</b>			
At 1 January 2010	260,514	12,240	272,754
Additions	52,033	-	52,033
At 31 December 2010	312,548	12,240	324,787
<b>Depreciation</b>			
At 1 January 2010	-	6,250	6,250
Charge for the year	-	3,125	3,125
At 31 December 2010	-	9,375	9,375
<b>Net Book Value</b>			
At 31 December 2010	£312,548	£2,865	£315,412
At 31 December 2009	£260,514	£5,990	£266,504

#### 9. INVESTMENTS

Company	2010 £	2009 £
Subsidiary undertaking (see note 3)		
Shares at cost	2	2
Loan	4,857,464	4,723,120
At 31 December 2010	£4,857,466	£4,723,122

The Trust also owns one £1 share, being 100% of the share capital, in both River Centre Limited and River City Developments Limited. These companies have been dormant since incorporation.

Interest is receivable on the loan at Bank of England bank base rate. An analysis of the loan movement during the year is as follows:

Balance at 1 January 2010	4,723,120
Additions	257,972
Interest	23,872
Grant to subsidiary for charitable activities in 2010	(147,500)
At 31 December 2010	£4,857,464

# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2010

10. DEBTORS	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Income tax and VAT recoverable	6,849	42,493	6,849	42,493
Other debtors and prepayments	20,477	32,571	-	-
	<u>£27,326</u>	<u>£75,064</u>	<u>£6,849</u>	<u>£42,493</u>
11. CREDITORS: amounts falling due within one year	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Social security and other taxes	27,218	136,441	27,413	109,753
Other creditors	11,244	112,299	-	77,862
Accruals and deferred income	69,463	65,642	62,135	19,907
	<u>£107,925</u>	<u>£314,382</u>	<u>£89,548</u>	<u>£207,522</u>
12. CREDITORS: amounts falling due after more than one year	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Secured loan	630,000	630,000	-	-
Bank loan	2,250,000	2,250,000	-	-
	<u>£2,880,000</u>	<u>£2,880,000</u>	<u>£ -</u>	<u>£ -</u>

The secured loan is repayable on 1 January, 2015. Interest is payable on the loan at 2% over bank base rate from 1 January 2004.

The bank loan is secured on the freehold property and by a cross guarantee between Harvester Trust Tonbridge and Harvester Conferences Limited. Interest is payable at 2.25% over bank base rate. It is repayable in equal quarterly instalments to achieve full repayment by 30 April 2014.

13. FUNDS	As at			Transfers and Unrealised Gains	As at 31 December 2010
	1 January 2010	Incoming Resources	Outgoing Resources		
<b>Company</b>					
Unrestricted general funds	5,754,446	222,513	(722,463)	39,829	5,294,325
Restricted funds					
Gateway	889,976	-	-	(39,829)	850,147
Loan	92,215	-	-	-	92,215
Bridge	28,000	-	-	-	28,000
<b>Group</b>					
Subsidiary company	1,446,108	348,661	(565,025)	-	1,229,744
Inter company	-	(171,372)	171,372	-	-
	<u>£8,210,745</u>	<u>£399,802</u>	<u>£(1,116,116)</u>	<u>£ -</u>	<u>£7,494,431</u>

## HARVESTER TRUST TONBRIDGE

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 13. FUNDS (continued)

##### Gateway

These are funds donated to the Gateway Project as described in the Trustees Report. Funds expended on the project in the year are shown as transfers as the expenditure is capital in nature.

##### Loan repayment

These are donations given in response to an appeal for funds to assist in the repayment of loans.

##### Bridge

These are funds donated towards the costs of building a pedestrian bridge over the stream at the end of the River Centre car park.

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	General Funds £	Restricted Funds £	Subsidiary Company £	Total £
Fixed assets	315,412	-	8,964,092	9,279,504
Net current assets/(liabilities)	121,449	970,362	3,116	1,094,927
Long term liabilities	-	-	(2,880,000)	(2,880,000)
Investment in subsidiary	4,857,464	-	(4,857,464)	-
	<u>£5,294,325</u>	<u>£970,362</u>	<u>£1,229,744</u>	<u>£7,494,431</u>

#### 15. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

The Trustees did not receive any remuneration during the year. No expenses were reimbursed to trustees in the year.

The Trust appointed Bircham Dyson Bell LLP as its solicitors in 2002 and they have been acting since this date. In 2009, Simon Weil, a partner in Bircham Dyson Bell, was appointed as a trustee. He does not make any charge for his work as a trustee, however Mr Weil does make some charges for legal work he undertakes. Mr Weil is not engaged in the substantive legal work provided by Bircham Dyson Bell to the Trust, and another partner is responsible for managing, undertaking and supervising such work.

Mr Weil does not direct work to Bircham Dyson Bell and ensures that all referrals are undertaken by the management team and the other trustees. Professional fees of £170,367 (2009: £63,843) were payable to Bircham Dyson Bell in the year for the provision of legal advice in respect of organisational restructuring and personnel related issues, banking, tax and property issues. In addition, Bircham Dyson Bell also provided pro bono work amounting to £63,000. The reasons for the increase in fees in this year are set out in the Trustees' Report.

#### 16. SHARE CAPITAL

The Company is limited by guarantee and does not have a share capital. The liability of the members is £1 each in the event of the Company being wound up.

#### 17. POST BALANCE SHEET EVENT

The Ashby's Yard property was sold in April 2011 for £550,000.