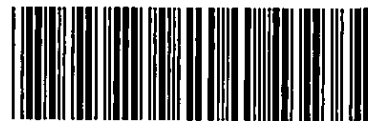


**HARVESTER TRUST TONBRIDGE**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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COMPANIES HOUSE

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

**HARVESTER TRUST TONBRIDGE**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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# **HARVESTER TRUST TONBRIDGE**

## **REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011**

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<b>Trustees</b>	Mr R Barker Mr M Cameron Mr S Weil (Chair)
<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  C Hoare & Co 37 Fleet Street London EC4P 4DQ
<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 2011**

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The Trustees present their Report and Financial Statements for the year ended 31 December 2011. 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.

#### **REORGANISATION**

During the year Harvester Trust Tonbridge (the Trust) completed its review of the Harvester Group's operating structure and the provision of financial facilities required to support and promote its Objects.

As a result of this review Harvester Conferences Limited (Company Number 37274240), a wholly owned subsidiary of the Trust, was registered as a charity with the Charity Commission for England and Wales under Charity Number 1144859 (Conferences) on 30 November 2011.

Both the Trust and Conferences have the power to merge, make grants or transfer assets to another eligible charitable body and enter into loan facilities together with associated security documents in accordance with their respective constitutions. On 30 November 2011 Harvester Trust signed a Merger Deed whereby the Trust transferred its assets and undertaking to Conferences. Separately, all non charitable business was transferred to River Centre Limited, a company limited by shares registered in England with Registration Number 05655390 wholly owned by Harvester Conferences Limited.

As part of the reorganisation, Conferences sold land that it owned at 1 Ashby's Yard, which abutted the River Centre. As a result of the sale of this land, Conferences was able to repay the Trust for the loan taken from the Trust to purchase the Ashby's Yard site. As such funds were then passed back to Conferences following the merger, Conferences was able to reduce its borrowing from the bank. Further, Conferences was also able to sell an apartment that it owned enabling the repayment of another loan from the Trust. The money realised from the loan repayment was also passed back to Conferences as a result of the merger.

The Trust remains in operation as the sole shareholder of Conferences. The Trust also retained £10,000 to finance any outstanding legal and professional fees.

#### **STRUCTURE**

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 2011 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).

Historically, the Trustees have pursued 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.

Moving forward, the primary purpose of the Trust will be to operate as the sole shareholder of Conferences and to ensure that such shares are protected. The Trust will also seek to make gifts to Christian causes which are charitable in accordance with the laws of England and Wales.

## **HARVESTER TRUST TONBRIDGE**

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

#### **FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **OBJECTIVES AND ACTIVITIES (continued)**

In 2009 the Trustees completed a 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. This was actioned through the widening of the objects of Conferences on registration whilst retaining the narrower objects for the Trust.

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. During 2011 the Trustees successfully concluded discussions with HillSong Church London, a church committed to the Trust's aims. HillSong holds regular Sunday services at the Centre with a long term aim of building a new Kent based church reaching across the whole spectrum of the community.

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.

The Centre continued to be used by a wide range of local community groups in 2011.

Following the business review by the Trustees in 2010 further changes have been made to the staffing structure and methods of operation to provide a more cost effective structure and to be able to meet the needs of the beneficiaries and service users.

##### **Community Café**

The construction of the Gateway Café is nearing completion and should be opened in the second half of 2012. The 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 which form a part of the development. 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 2012.

## **HARVESTER TRUST TONBRIDGE**

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

#### **FOR THE YEAR ENDED 31 DECEMBER 2011**

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

##### **Grants**

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

##### **Open Hands**

The Trust has been unable to provide any significant resources for the Trust's 'Open Hands' initiative in 2011 due to the reduction in the level of donations to the Trust

#### **FINANCIAL REVIEW**

The voluntary income for 2011 amounted to £51,153 (2010 £178,461) and comprised donations by individuals and pro bono services of £25,250. The reduction in donations follows the withdrawal of the Trust as the nominated charity of the Renewal Churches Trust, a charity which operates a Christian Church which no longer meets at the Centre. Previously the members of the Church had provided the majority of the voluntary income of the Trust.

The turnover from trading activities amounted to £96,871 (2010 £189,082). The decrease in activity reflects the general economic environment and the cutting back by local public sector organisations, commercial companies and individuals wishing to hold conferences and other events. Rental income of £118,750 (2010 Nil) has been generated through the use of the Centre.

During the year the Trust disposed of land and buildings which were not considered to be core to achieving the Trust's objectives. The sale of these assets generated gains totalling £237,495.

The total cost of the developing and operating of the Centre during 2011 was reduced by 2% to £457,901 (2010 £466,485).

Resources have also been expended on the Trust's Christian ministry of £102,444 (2010 £391,653) and the Open Hands ministry £6,988 (2010 £61,167). The reductions were as a result of reduced activities in the charity as it embarked on the reorganisation program.

Governance costs have been reduced from £96,570 in 2010 to £37,986 reflecting the changes in staffing and reduced level of general legal activity in the year.

The reorganisation and refinancing of the Trust has been a complicated process which incurred expenditure of £105,516. This exceptional expenditure covers all advisors, legal, valuation and banking fees of all the parties concerned with the reorganisation and refinancing.

The loan facilities of £2,250,000 provided by NatWest bank came under review by the bank at the end of 2010. As part of the loan review and the overall restructuring of the Trust the Trust's subsidiary Harvester Conferences Limited has secured new facilities from C Hoare & Co amounting to £1,950,000 secured on the freehold property of the River Centre. The payment of the NatWest facility was covered in part by the sale of assets referred to above and the restricted fund for this purpose.

As part of the refinancing process it was necessary to provide a current view on the value of the land and buildings. Whilst a formal valuation has not been carried out professional advice has been provided based on the existing use of the building and existing planning permission for land being held for development. In light of the current economic environment it is considered that the value of the building in July 2011 was £2.9m and within the foreseeable future the development property, was worth £1.0m (original cost £874,664). Following the reassessment of the valuation of the land and buildings the value of the property has resulted in a net reduction in the revaluation of the assets of £4,324,455. An explanation of the revaluation is also included in the notes to the account on fixed assets.

Following the restructuring, the Trust has general funds of £10,000 (2010 £5,294,325) at the end of the year.

## **HARVESTER TRUST TONBRIDGE**

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

#### **FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **FINANCIAL REVIEW (continued)**

The Trust's free reserves, excluding those held as fixed assets, were £10,000 (2010 £121,447) These are considered to be adequate to meet the ongoing needs of the Trust

Following the sale of Ashby's Yard the restricted fund of £28,000 for the construction of the bridge has been now been utilised and is being held in an escrow account until the construction of the bridge is completed The restricted loan fund of £92,215 has also been expensed following the refinancing of the Trust

Restricted funds of £719,532 (2010 £850,147) 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 Café in 2012

#### **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 Due to the change in the position of the Trust the Trustees have concluded that the Trust's reserves should be maintained at a level whereby the Trust remains solvent and can pay all necessary statutory payments Therefore, the Trustees believe that the Trust should maintain reserves of between £5,000 and £10,000

#### **GOVERNANCE AND MANAGEMENT**

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 will continue to seek additional Trustees in 2012

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**

The Trustees believe that the reorganisation of the Harvester Group has reduced current risks to the Trust The Trustees have identified that there is a risk that the Trust will not be in a position to develop an income stream in the short term but will ensure that sufficient reserves are in place and that expenditure is limited so that reserves are maintained at the correct levels

## **HARVESTER TRUST TONBRIDGE**

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

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **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

#### **FUTURE PLANS**

The Trust's strategy is to advance the Christian religion primarily in the local community by making grants within the restrictions of the Object. The main operational elements which used to be undertaken by the Trust are now controlled by Conferences and the Trust's role is to ensure that the shares that it holds in Conferences are properly managed

New opportunities will be sought to increase the level of funds available to meet the Trust's objectives including the reinstatement of the 'Open Hands' initiative or similar activity so that people in need in the community can be supported

#### **AUDITORS**

A resolution to re-appoint haysmacintyre will be proposed at a future Board meeting

The Trustees' Report 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

25 May 2012



**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 2011 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. In addition, we read all the financial, and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 2011 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.

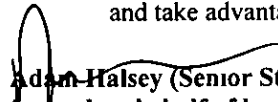
**Opinion on other matter prescribed by the Companies Act 2006**

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

25 MAY ..... 2012

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 2011

		Unrestricted Funds £	Restricted Funds £	2011 Total Funds £	2010 Total Funds £
INCOMING RESOURCES	Notes				
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	51,153	-	51,153	178,461
Activities for generating funds					
Trading income of subsidiary	3	96,871	-	96,871	189,082
Rental income		118,750	-	118,750	-
Interest receivable		434	-	434	2,646
<i>Incoming resources from Charitable Activities:</i>					
Operation of Christian Centre	3	2,640	-	2,640	10,194
Other income	4	243,490	-	243,490	19,419
<b>Total incoming resources</b>		<b>513,338</b>	<b>-</b>	<b>513,338</b>	<b>399,802</b>
<b>RESOURCES EXPENDED</b>					
<i>Cost of generating funds</i>					
Trading expenditure on subsidiary	3	35,761	-	35,761	74,670
<i>Charitable activities</i>					
Operation of Christian Centre	5	457,901	28,000	485,901	466,485
Christian ministry	5	102,444	-	102,444	391,653
Open Hands ministry	5	6,988	-	6,988	61,167
Reorganisation costs	5	105,516	-	105,516	-
Tax payable	5	14,025	-	14,025	25,571
<b>Governance costs</b>	5	<b>37,986</b>	<b>-</b>	<b>37,986</b>	<b>96,570</b>
<b>Total resources expended</b>		<b>760,621</b>	<b>28,000</b>	<b>788,621</b>	<b>1,116,116</b>
<b>Net outgoing resources before transfers</b>	7	<b>(247,283)</b>	<b>(28,000)</b>	<b>(275,283)</b>	<b>(716,314)</b>
Transfers	13	222,830	(222,830)	-	-
<b>Net movement in funds before revaluations</b>		<b>(24,453)</b>	<b>(250,830)</b>	<b>(275,283)</b>	<b>(716,314)</b>
Revaluation of property	8, 13	(4,324,455)	-	(4,324,455)	-
<b>Net movement in funds</b>		<b>(4,348,908)</b>	<b>(250,830)</b>	<b>(4,599,738)</b>	<b>(716,314)</b>
<b>Reconciliation of funds</b>					
Funds brought forward		6,524,069	970,362	7,494,431	8,210,745
Funds carried forward	13	£2,175,161	£719,532	£2,894,693	£7,494,431

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

## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	8	4,514,847	9,279,504
<b>CURRENT ASSETS</b>			
Debtors	10	223,955	27,326
Cash at bank and in hand		568,284	1,175,526
		<u>792,239</u>	<u>1,202,852</u>
<b>CREDITORS</b> , amounts falling due within one year	11	(1,782,393)	(107,925)
<b>NET CURRENT ASSETS</b>		<u>(990,154)</u>	<u>1,094,927</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,524,693	10,374,431
<b>CREDITORS</b> : amounts falling due after more than one year	12	(630,000)	(2,880,000)
<b>NET ASSETS</b>		<u>£2,894,693</u>	<u>£7,494,431</u>
<b>FUNDS</b>			
Unrestricted funds	14		
Main charity		10,000	5,294,325
Subsidiary charity		2,165,161	1,229,744
Restricted funds		719,532	970,362
		<u>£2,894,693</u>	<u>£7,494,431</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 25 May 2012 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 2011

	Notes	£	2011	£	£	2010	£
<b>FIXED ASSETS</b>							
Tangible assets	8			-		315,412	
Investments	9			2		4,857,466	
<b>CURRENT ASSETS</b>							
Debtors	10		-		6,849		
Cash at bank and in hand			10,000		1,174,508		
			<u>10,000</u>		<u>1,181,357</u>		
<b>CREDITORS</b> amounts falling due within one year	11		-		(89,548)		
<b>NET CURRENT ASSETS</b>				10,000		1,091,809	
<b>NET ASSETS</b>				<u>£10,002</u>		<u>£6,264,687</u>	
<b>FUNDS</b>							
Unrestricted funds	13			10,002		5,294,325	
Restricted funds				-		970,362	
				<u>£10,002</u>		<u>£6,264,687</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 25 May 2012 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 2011

### 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 and buildings under construction are 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

Freehold land and buildings are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value. Due to the reorganisation in the year, the trustees obtained a valuation of the charity's properties from Savills in July 2011. Prior to this, the date of the last full valuation was as at 31 December 2007.

Revaluation gains and losses are recognised in the statement of financial activities.

#### 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 2011

2. VOLUNTARY INCOME	2011 £	2010 £
Donations including Covenant and Gift Aid	25,903	115,461
Donated professional services (note 15)	25,250	63,000
	<u>£51,153</u>	<u>£178,461</u>

### 3. SUBSIDIARY CHARITY

The charitable company owns the whole of the issued share capital of Harvester Conferences Limited, a charitable company registered in England. The principal activity of the subsidiary is to operate a Christian Conference Centre in Tonbridge, Kent. In November 2011, Harvester Conferences Limited was registered as a charity and under a restructuring arrangement approved by the Charity Commission, the net assets of Harvester Trust Tunbridge less £10,000, were transferred to Harvester Conferences Limited. 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		Main Charity	
	2011 £	2010 £	2011 £	2010 £
Turnover from trading activities	96,871	189,082		
Charitable activities and voluntary income	2,640	10,194	51,153	178,461
Cost of sales	(35,761)	(74,670)		
<b>Incoming resources</b>	<b>63,750</b>	<b>124,606</b>		
Administrative expenses	(270,774)	(270,444)		
From Harvester Trust	-	147,500		
Rental income	118,750	-		
Other operating income	236,775	1,518		
<b>Operating surplus</b>	<b>148,501</b>	<b>3,180</b>		
Interest receivable	434	367	-	2,279
Other income	-	-	6,715	17,901
Transfer from Harvester Trust	6,145,465	-		
Depreciation	(143,754)	(151,795)		
Interest payable				
Group	(22,976)	(23,872)	22,976	23,872
Other	(43,373)	(44,246)	-	-
Reorganisation	(90,868)	-		
Tax payable	(14,025)	-		
<b>Surplus/(Deficit) for the year</b>	<b>5,979,404</b>	<b>(216,366)</b>		
<b>Net assets at 31 December 2011</b>	<b>£2,884,693</b>	<b>£1,229,744</b>		
<b>Gross income resources – Charity</b>			<b>80,844</b>	<b>222,513</b>
<b>Charitable activities</b>				
From/(to) subsidiary			(6,145,465)	(147,500)
Christian Ministry			(102,444)	(391,653)
Open Hands			(6,988)	(61,167)
Reorganisation			(14,648)	-
Tax payable			-	(25,571)
Governance costs			(37,986)	(96,570)
<b>Net movements in funds – Charity</b>			<b>£(6,226,687)</b>	<b>£(499,948)</b>

# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 4. OTHER INCOME

Other income includes £237,495 gains from the disposal of fixed assets

### 5. CHARITABLE ACTIVITIES AND GOVERNANCE COSTS

	Christian Centre £	Christian Ministry £	Open Hands £	Re- Organisation	Governance Costs £	Total 2011 £	Total 2010 £
<b>Direct costs</b>							
Purchases	-	-	6,988	-	-	6,988	39,180
<b>Support costs</b>							
Office costs	127,612	702	-	-	1,548	129,862	133,175
Wages and salaries	62,325	4,276	-	-	-	66,601	292,010
Professional fees	60,840	47,104	-	105,516	36,438	249,898	316,944
Advertising and promotion	12,427	-	-	-	-	12,427	9,953
Bank charges and interest	46,594	40,919	-	-	-	87,513	57,685
Depreciation	143,754	2,080	-	-	-	145,834	154,920
Insurances	4,349	4,863	-	-	-	9,212	12,008
Grants	-	2,500	-	-	-	2,500	-
	<u>457,901</u>	<u>102,444</u>	<u>6,988</u>	<u>105,516</u>	<u>37,986</u>	<u>710,835</u>	<u>1,015,875</u>
Tax payable	14,025	-	-	-	-	14,025	25,571
	<u>£471,926</u>	<u>£102,444</u>	<u>£6,988</u>	<u>£105,516</u>	<u>£37,986</u>	<u>£724,860</u>	<u>£1,041,446</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)

	2011 £	2010 £
Wages and salaries	53,322	197,420
Social security costs	5,757	28,298
Pension costs	772	22,298
Redundancy	6,750	43,995
	<u>£66,601</u>	<u>£292,011</u>

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

	2011 Number	2010 Number
£130,001 - £140,000	-	1

Pension contributions amounting to £772 (2010 £11,343) 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

# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2011

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

	2011 Number	2010 Number
The average number of full time equivalent staff employed during the year was		
Operation and administration of Centre	2	3

#### 7. NET MOVEMENT IN FUNDS

	2011 £	2010 £
<b>This is stated after charging:</b>		
Auditors' remuneration - audit fees	9,350	9,000
- other work	17,183	1,750
Gain on disposal of tangible fixed assets - owned	237,495	-
Depreciation of tangible fixed assets - owned	145,834	154,920

#### 8. FIXED ASSETS

Group	Land and buildings £	Other tangible fixed assets £	Building under Construction £	Total £
<b>Cost or valuation</b>				
At 1 January 2011	9,842,232	541,563	-	10,383,795
Additions	130,615	876	50,250	181,741
Disposals	(538,681)	(12,240)	-	(550,921)
Transfers	(443,162)	-	443,162	-
Revaluation (see notes below)	(5,091,004)	-	-	(5,091,004)
At 31 December 2011	3,900,000	530,199	493,412	4,923,611
<b>Depreciation</b>				
At 1 January 2011	723,868	380,423	-	1,104,291
Charge for the year	106,038	39,796	-	145,834
Disposals	(63,357)	(11,455)	-	(74,812)
Revaluation (see notes below)	(766,549)	-	-	(766,549)
At 31 December 2011	-	408,764	-	408,764
<b>Net Book Value</b>				
At 31 December 2011	£3,900,000	£121,435	£493,412	£4,514,847
At 31 December 2010	£9,118,364	£161,140	£ -	£9,279,504

As part of the refinancing process it was necessary to provide a current view on the value of the land and buildings. Whilst a formal valuation has not been carried out professional advice has been provided by Savills based on the existing use of the building and existing planning permission for land being held for development. In light of the current economic environment it is considered that the value of the building in July 2011 was £2.9m and within the foreseeable future the development property, was worth £1.0m (original cost £874,664). It is not expected that the land will have had a material change in value between the valuation date and the financial year end. The Gateway development was valued at £1, although the value will increase substantially once building work is complete.



# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2011

#### 8. FIXED ASSETS (continued)

Company	Building under Construction £	Other tangible fixed assets £	Total £
<b>Cost</b>			
At 1 January 2011	312,547	12,240	324,787
Additions	130,615	-	130,615
Disposal	-	(12,240)	(12,240)
Transfers (see note 17)	(443,162)	-	(443,162)
At 31 December 2011	-	-	-
<b>Depreciation</b>			
At 1 January 2011	-	9,375	9,375
Charge for the year	-	2,080	2,080
Disposals	-	(11,455)	(11,455)
At 31 December 2011	-	-	-
<b>Net Book Value</b>			
At 31 December 2011	£ -	£ -	£ -
At 31 December 2010	£312,547	£2,865	£315,412

#### 9. INVESTMENTS

Company	2011 £	2010 £
Subsidiary undertaking (see note 3)		
Shares at cost	2	2
Loan	-	4,857,464
At 31 December 2011	£2	£4,857,466

The Trust also owns one £1 share, being 100% of the share capital, in River City Developments Limited. This company has 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 2011	4,857,464
Additions	311,054
Interest	22,976
Transfers	(5,191,494)
At 31 December 2011	£ -

#### 10. DEBTORS

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Income tax and VAT recoverable	11,132	6,849	-	6,849
Other debtors and prepayments	212,823	20,477	-	-
	£223,955	£27,326	£ -	£6,849

# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2011

11. CREDITORS: amounts falling due within one year	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Bank loans and overdraft	1,646,838	-	-	-
Social security and other taxes	32,255	27,218	-	27,413
Other creditors	14,562	11,244	-	-
Accruals and deferred income	88,738	69,463	-	62,135
	<u>£1,782,393</u>	<u>£107,925</u>	<u>£ -</u>	<u>£89,548</u>

The bank loan is for a maximum sum of £1.95m and is secured on the freehold property, the Riverside Centre, on which the bank holds a first legal charge. Interest is payable at 3.0% over the Bank's base rate, subject to a minimum rate of 6.5% per annum. It is repayable on demand.

12. CREDITORS: amounts falling due after more than one year	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Secured loan	630,000	630,000	-	-
Bank loan	-	2,250,000	-	-
	<u>£630,000</u>	<u>£2,880,000</u>	<u>£ -</u>	<u>£ -</u>

The secured loan is repayable on 1 January, 2014. Interest is payable on the loan at 2% over bank base rate from 1 January 2004.

13. FUNDS	As at 1 January 2011	Incoming Resources	Outgoing Resources	Transfers and Unrealised Gains	As at 31 December 2011
<b>Company</b>					
Unrestricted general funds	5,294,325	57,868	(162,066)	(5,180,127)	10,000
Restricted funds					
Gateway	850,147	-	-	(130,615)	719,532
Loan	92,215	-	-	(92,215)	-
Bridge	28,000	-	(28,000)	-	-
<b>Group</b>					
Subsidiary charity					
Unrestricted general funds	(1,395,592)	455,470	(598,555)	3,703,838	2,165,161
Revaluation reserve	2,625,336	-	-	(2,625,336)	-
	<u>£7,494,431</u>	<u>£513,338</u>	<u>£(788,621)</u>	<u>£(4,324,455)</u>	<u>£2,894,693</u>

#### 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.

# HARVESTER TRUST TONBRIDGE

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2011

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	General Funds £	Restricted Funds £	Subsidiary Charity £	Total £
Fixed assets	-	-	4,514,847	4,514,847
Net current assets/(liabilities)	10,000	719,532	(1,719,686)	(990,154)
Long term liabilities	-	-	(630,000)	(630,000)
	<u>£10,000</u>	<u>£719,532</u>	<u>£2,165,161</u>	<u>£2,894,693</u>

### 15. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

The Trustees did not receive any remuneration during the year £1,548 (2010 £Nil) of 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 £138,532 (2010 £170,367) 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 £25,250 (2010 £63,000). The reasons for 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. TRANSFER OF ASSETS

On 30 November 2011, the operating activities and the assets (excluding £10,000) of Harvester Trust Tonbridge (charity number 1072895 and company number 03560985) were transferred to Harvester Conferences Limited (Company number 3727424 and registered Charity number 1144859).

On 28 November 2011 the Trust also transferred its shareholding in another wholly owned subsidiary, The River Centre Limited to Harvester Conferences Limited. The River Centre Limited did not trade in the year or in the preceding financial year.

### 18. CAPITAL COMMITMENTS

	2011 £	2010 £
Contracted for but not provided for in the accounts (Gateway Café)	<u>£720,000</u>	<u>-</u>