

Co No 3560985

HARVESTER TRUST (TONBRIDGE) LIMITED

2002 REPORT AND ACCOUNTS



HARVESTER TRUST (TONBRIDGE) LIMITED

Trustees	Mr Richard Horne (Chairman) Mrs Penny Foxwell Mrs Lin Hutchinson Reverend Ian Ross Mrs Janice Ross
Secretary	Mrs Lin Hutchinson
Registered office	Audrey House 16/20 Ely Place London, EC1N 6SN
Bankers	National Westminster Bank Plc City of London Office 1 Princes Street London EC2R 8PA Account number: 36168483 Sort code: 60-00-01

Company number	3560985
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Charity number	1072895
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SUBSIDIARY COMPANY

HARVESTER CONFERENCES LIMITED

Status	Wholly owned subsidiary
Directors	Reverend Rupert Foxwell (Chairman) Mrs Penny Foxwell Mr Richard Horne Mrs Lin Hutchinson
Registered Office	Audrey House 16/20 Ely Place London, EC1N 6SN
Company Number	3727424

HARVESTER TRUST (TONBRIDGE) LIMITED

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HARVESTER TRUST (TONBRIDGE) LIMITED

TRUSTEES' ANNUAL REPORT

The Trustees present their Report and the audited Accounts for the year ended 31st December, 2002.

Principal activity

The Company was established as a charity to advance the Christian Religion, and as part of this objective has founded **Church on the Way** which is based in Tonbridge, Kent. The Church is a member of the **Partners in Harvest** affiliation of renewal churches and a member of the **New Wine Network** established by Bishop David Pytches.

Legal information

The Company was incorporated as a company limited by guarantee on 8th May, 1998.

The name of the Company on incorporation was Harvester Trust Limited but this was changed to Harvester Trust (Tonbridge) Limited on 4th November, 1998. The governing document is the Memorandum and Articles of Association.

Review of the development, activities and achievements

During the year our dream became reality! The River Centre was completed on 18th October, and Church on the Way held its first service in the new building on 20th October. The provision of new facilities has already enabled substantial further growth of the church with over 350 people now attending the weekend services and over 120 children and teenagers attending the 'Activate', 'BonaFide', 'Face2Face' and 'Fusion' groups.

The Civic Opening of the River Centre was held on 26th January 2003 and was attended by over 700 people including Bishop David Pytches, Lord Mayhew, The Mayor of Tonbridge & Malling, the Chief Executive of Tonbridge & Malling Borough Council, the Chairman of the Tonbridge Civic Society, many local councillors and the ministers of local churches. Local community groups have already expressed significant interest in using the Centre and the Tonbridge Philharmonic Society has already made a booking for a concert in May.

The River Centre is now one of the largest conference venues in the south east of England. Booking enquiries have already been received from a number of large companies including the Association of Investment Trust Companies, AXA PPP, GlaxoSmithKline, Kimberly-Clark Group, The Royal Bank of Scotland and Weeks Consulting.

Review of the transactions and financial position

The movement of the Company's financial resources for the year is shown in the statement of Financial Activities on page 4. The highlights are:

- * total donations and gifts of £895,070
- * funds of £90,000 allocated to support other Christian mission and outreach activities
- * a general fund surplus of £2,154,816 carried forward to 2002

The Company is financially dependent on the support provided, in the main, by members of Church on the Way. The Trustees confirm that the Company's assets and agreed facilities are available and adequate to meet all of the Company's present requirements.

HARVESTER TRUST (TONBRIDGE) LIMITED

TRUSTEES' ANNUAL REPORT (CONTINUED)

Trustees

The Trustees (who are also Directors of the Company) during the year were as follows:

R.T. Horne (Chairman)
Mrs P. Foxwell
Mrs L. Hutchinson
Reverend Ian Ross
Mrs Janice Ross

The Company has paid a premium of £881 in respect of Trustees' indemnity insurance.

Trustees' responsibilities

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of its surplus or deficit of income for that period. In preparing these accounts the Trustees have:

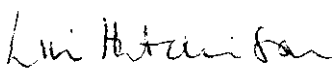
- * selected suitable accounting policies and then applied them consistently;
- * made judgements and estimates that are reasonable and prudent;
- * followed applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- * prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities.

Auditors

Tom Carolan & Co have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

On behalf of the Board


Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF

HARVESTER TRUST (TONBRIDGE) LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the Company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 2 the Trustees, who are also the Directors of Harvester Trust (Tonbridge) Limited for the purpose of company law, are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charitable Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Charitable Company's and the Group's affairs at 31st December, 2002 and of the incoming resources and application of resources, including income and expenditure, of the Group in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountant
Registered Auditor

31 March 2003

HARVESTER TRUST (TONBRIDGE) LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER, 2002

	Notes	2002 General Fund £	2001 General Fund £
INCOME AND EXPENDITURE			
Incoming resources:			
Donations and gifts		895,070	413,272
Interest received		4,091	36,154
Other income	2	22,233	6,259
Total incoming resources		<u>921,394</u>	<u>455,685</u>
Resources expended:			
Direct charitable expenditure		97,872	86,908
Management and administration of the Charity		74,568	73,428
Trading subsidiary		53,580	-
Bank interest paid		60,743	-
Total resources expended	3	<u>286,763</u>	<u>160,336</u>
Net incoming resources for the year		634,631	295,349
Transfer to designated fund	10	<u>(90,000)</u>	<u>(47,000)</u>
Surplus for the year		544,631	248,349
Surplus brought forward		<u>1,610,185</u>	<u>1,361,836</u>
Surplus carried forward		<u>£2,154,816</u>	<u>£1,610,185</u>

HARVESTER TRUST (TONBRIDGE) LIMITED

CONSOLIDATED BALANCE SHEET AT 31ST DECEMBER, 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible fixed assets	4	5,163,282	1,689,188
Investments	5	21,750	28,150
		<u>5,185,032</u>	<u>1,717,338</u>
Current assets			
Stocks	6	1,478	1,512
Debtors	7	70,147	53,453
Bank balances and cash		35,982	582,212
		<u>107,607</u>	<u>637,177</u>
Creditors due within one year	8	264,102	107,674
Net current (liabilities)/assets		<u>(156,495)</u>	<u>529,503</u>
Total assets less current liabilities		5,028,537	2,246,841
Creditors due after one year	9	2,867,733	630,000
Net assets		<u>£2,160,804</u>	<u>£1,616,841</u>
Income funds			
Unrestricted funds:			
General funds		2,154,816	1,610,185
Designated fund	10	5,988	6,656
		<u>£2,160,804</u>	<u>£1,616,841</u>

Approved by the Board of Trustees on 31st March 2003 and signed on its behalf by

L. Hutchinson

Mrs L. Hutchinson
Trustee

HARVESTER TRUST (TONBRIDGE) LIMITED

PARENT COMPANY BALANCE SHEET AT 31ST DECEMBER, 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible fixed assets	4	16,930	17,715
Investments	5	2,186,782	1,388,448
		<u>2,203,712</u>	<u>1,406,163</u>
Current assets			
Stocks	6	1,478	1,512
Debtors	7	36,547	11,367
Bank balances and cash		33,825	198,052
		<u>71,850</u>	<u>210,931</u>
Creditors due within one year	8	10,160	6,046
Net current assets		<u>61,690</u>	<u>204,885</u>
Net assets		<u>£2,265,402</u>	<u>£1,611,048</u>
Income funds			
Unrestricted funds:			
General funds		2,259,414	1,604,392
Designated fund	10	5,988	6,656
		<u>£2,265,402</u>	<u>£1,611,048</u>

Approved by the Board of Trustees on 21st March 2003 and signed on its behalf by

L. Hutchinson

Mrs L. Hutchinson
Trustee

HARVESTER TRUST (TONBRIDGE) LIMITED

NOTES ON THE ACCOUNTS

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared on the historical cost basis and in accordance with applicable accounting standards.

(b) Cash flow statement

As the Company is defined as a small company under section 246-249 of the Companies Act 1985, no cash flow statement has been prepared.

(c) Tangible fixed assets

No depreciation has been charged on the freehold property. Depreciation is provided to write off the cost of each other fixed asset over its estimated useful life at the rate of 25% per annum on written down value.

(d) Investment

Listed investments are shown at the value at the time of the gift.

(e) Stocks

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

(f) Income and expenditure statement

A separate income and expenditure account has not been prepared for the Parent Undertaking, as permitted by Section 230 of the Companies Act 1985.

	2002 £	2001 £
2. Other income		
Rent received by trading subsidiary	390	-
Conferences	10,819	6,529
Profit on sale of investments	11,024	-
	<u>£22,233</u>	<u>£6,529</u>

3. Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	2002 Total £	2001 Total £
Direct charitable expenditure:					
Church on the Way	54,788	38,106	4,978	97,872	86,908
Other expenditure:					
Management and administration of the Charity	30,132	42,777	1,659	74,568	73,428
Trading subsidiary	-	41,233	12,347	53,580	-
	<u>£84,920</u>	<u>£122,116</u>	<u>£18,984</u>	<u>£226,020</u>	<u>£160,336</u>
Staff costs:					
Wages and salaries				67,669	56,420
Social security costs				6,139	5,047
Pension costs				11,112	4,629
				<u>£84,920</u>	<u>£66,096</u>

HARVESTER TRUST (TONBRIDGE) LIMITED

NOTES ON THE ACCOUNTS (CONTINUED)

3. Analysis of total resources expended (Continued)

	2002 Total £	2001 Total £
Other costs:		
Premises	28,449	26,188
Conferences	13,138	8,590
Books and tapes (net sale and purchase)	1,367	(1,397)
Sundry office costs	50,777	36,294
Children's and youth activities	2,296	3,092
Legal and professional fees	1,849	2,282
Audit fees	1,914	1,455
Bank charges	22,326	11,831
	<u>£122,116</u>	<u>£88,335</u>

The highest paid employee earned £34,418 (2001 £33,644).

The average number of employees, analysed by function, was:

Church on the Way	2	2
Administration	3	2
	<u>5</u>	<u>4</u>

4. Tangible fixed assets

Group	Freehold property £	Furniture fittings and equipment £	Motor vehicle £	Total £
Cost:				
At 1 st January, 2002	1,671,473	28,270	3,900	1,703,643
Additions	3,289,668	204,610	-	3,494,278
Disposals	-	-	(3,900)	(3,900)
	<u>4,961,141</u>	<u>232,880</u>	<u>-</u>	<u>5,194,021</u>
At 31 st December, 2002				
Depreciation:				
At 1 st January, 2002	-	12,749	1,706	14,455
Charge for the year	-	17,990	-	17,990
On disposals	-	-	(1,706)	(1,706)
	<u>-</u>	<u>30,739</u>	<u>-</u>	<u>30,739</u>
At 31 st December, 2002				
Net book value:				
At 31 st December, 2002	<u>£4,961,141</u>	<u>£202,141</u>	<u>£-</u>	<u>£5,163,282</u>
At 31 st December, 2001	<u>£1,671,473</u>	<u>£15,521</u>	<u>£2,194</u>	<u>£1,689,188</u>

HARVESTER TRUST (TONBRIDGE) LIMITED

NOTES ON THE ACCOUNTS (CONTINUED)

4. Tangible fixed assets (Continued)

Company	Computers and equipment £	Motor vehicle £	Total £
Cost:			
At 1 st January, 2002	28,270	3,900	32,170
Additions	7,052	-	7,052
Disposals	-	(3,900)	(3,900)
	<hr/>	<hr/>	<hr/>
At 31 st December, 2002	35,322	-	35,322
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 st January, 2002	12,749	1,706	14,455
Charge for the year	5,643	-	5,643
On disposals	-	(1,706)	(1,706)
	<hr/>	<hr/>	<hr/>
At 31 st December, 2002	18,392	-	18,392
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 st December, 2002	<u>£16,930</u>	<u>£-</u>	<u>£16,930</u>
	<hr/>	<hr/>	<hr/>
At 31 st December, 2001	<u>£15,521</u>	<u>£2,194</u>	<u>£17,715</u>

5. Investments

Group	2002 £	2001 £
Listed investment	-	6,400
Financial instrument	21,750	21,750
	<hr/>	<hr/>
	<u>£21,750</u>	<u>£28,150</u>

The market value of the listed investment at 31st December, 2001, and which was sold during the year, was £28,160. A further investment, valued at £20,142, was received and sold during the year.

The financial instrument represents the cost of purchase of an interest rate cap expiring on 17th July, 2006.

Company

Subsidiary undertaking		
- shares at cost	2	2
- loan	2,186,780	1,382,046
	<hr/>	<hr/>
	2,186,782	1,382,048
Listed investment	-	6,400
	<hr/>	<hr/>
	<u>£2,186,782</u>	<u>£1,388,448</u>

HARVESTER TRUST (TONBRIDGE) LIMITED

NOTES ON THE ACCOUNTS (CONTINUED)

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. The loan has been made available to the subsidiary to fund the purchase and development of its property. The development was completed in October 2002. There is no fixed date for repayment and no interest is presently charged on the loan since Harvester Conferences Limited is a wholly owned subsidiary. Interest may be charged on the loan in the future if it is commercially sensible to do so.

6. Stocks

	2002	2001
Group and Company		
Stocks represent goods held for resale.	<u>£1,478</u>	<u>£1,512</u>

7. Debtors

	2002	2001
Group	£	£
Income tax and VAT recoverable	44,955	42,165
Other debtors and prepayments	<u>25,192</u>	<u>11,288</u>
	<u>£70,147</u>	<u>£53,453</u>
Company		
Income tax recoverable	18,855	11,367
Other debtors	<u>17,692</u>	<u>-</u>
	<u>£36,547</u>	<u>£11,367</u>

8. Creditors due within one year

Group		
Accruals	259,067	106,244
Social security and other taxes	<u>5,035</u>	<u>1,430</u>
	<u>£264,102</u>	<u>£107,674</u>
Company		
Accruals	5,125	4,616
Social security and other taxes	<u>5,035</u>	<u>1,430</u>
	<u>£10,160</u>	<u>£6,046</u>

9. Creditors due after one year

Group		
Secured loan	630,000	630,000
Bank loan	<u>2,237,733</u>	<u>-</u>
	<u>£2,867,733</u>	<u>£630,000</u>

The secured loan is repayable on 1st January, 2015 and is interest free.

The bank loan, which is part of a facility of £2,250,000, is secured on the freehold property and interest is payable at 2% over bank base rate. It is repayable in equal quarterly instalments commencing in June 2004 to achieve full repayment by 30th June 2014. The bank loan has also been guaranteed by seven individuals for a total sum of £700,000.

HARVESTER TRUST (TONBRIDGE) LIMITED

NOTES ON THE ACCOUNTS (CONTINUED)

10. Designated fund

Church on the Way is committed to giving away at least 10% of the income received to support other Christian mission and outreach initiatives. The income funds of the Charity therefore include a designated fund which has been set aside out of unrestricted general funds by the Trustees to fulfil that commitment.

At 1 st January, 2002	6,656	10,438
Funds designated in the year	90,000	47,000
Gifts made in the year	(90,668)	(50,782)
At 31 st December 2002	<u>£5,988</u>	<u>£6,656</u>

11. Transactions with Trustees and connected persons

a) Remuneration has been paid in the year under contracts of employment as follows:

Reverend R. Foxwell (spouse of Mrs P. Foxwell) £34,418.

Reverend I. Ross was paid £968 for attendance at a conference.

No remuneration was paid to any other Trustee or connected persons in the year. Neither Mrs nor Reverend Foxwell nor Reverend and Mrs Ross take any part in discussions relating to remuneration.

Staff remuneration has been determined in accordance with levels published by The Reward Group.

- b) Expenses of £9,363 have been reimbursed to four Trustees (or their spouses), in respect of various items of approved expenditure.
- c) On 15th September, 1999, the Company entered into an agreement with Reverend R. Foxwell for letting of unfurnished residential premises on an assured shorthold tenancy. The agreement was for a term certain of twelve months and the monthly payment was £1,000. An amount of £12,000 was paid in the year.
- d) Mr R.T. Horne is a trustee of a trust which has advanced the unsecured loan of £630,000 to the subsidiary undertaking.
- e) Mr R. T. Horne and Mr J. R. Hutchinson (spouse of Mrs L. Hutchinson) are two of the seven guarantors of the bank loan.

12. Capital Commitments

Group	2002	2001
Amount contracted for but not provided in the accounts	£Nil	£2,949,566
Approved but not yet contracted for	<u>£65,000</u>	<u>£Nil</u>