

SPRING HARVEST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Company Number: 2724859
Charity Number: 1014540



SPRING HARVEST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Contents	Page
Report of the Council of Management	1-12
Council Members' Responsibilities	13
Report of the Independent Auditors	14
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Accounts	18-24

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

The members of the Council of Management have pleasure in submitting their report together with the audited financial statements for the year ended 30 September 2006

Reference & Administrative Details

<u>Charity Number</u>	1014540
<u>Company Number</u>	2724859
<u>Principal/ Registered Office</u>	14 Horsted Square Uckfield East Sussex TN22 1QG
<u>Bankers</u>	Lloyds TSB Bank plc 82 High Street Lewes East Sussex BN7 1XW
<u>Solicitors</u>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
<u>Auditors</u>	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

Council members

The council members who held office during the year were as follows

D N Blackwood	J N P Edwards (resigned 2 12 05)
L Bowring (appointed 1 12 05)	S J Gaukroger
P A Broadbent	A Kennedy (appointed 16 6 06)
S J Chalke	D G Latham (resigned 2 12 05)
S M Clifford	P C Meadows
D R Coffey (resigned 10 10 05)	D W Pope
I C Coffey	C A M Sinclair (resigned 2 12 05)
R C Dearnley	M M White

Recent appointments

O L Obunge (appointed 15 12 06)
J S Richardson (appointed 15 12 06)
R E Valerio (appointed 15 12 06)

In accordance with the company's Memorandum and Articles of Association, J N P Edwards, D G Latham and C A M Sinclair retired on 2 December 2005

Each of the council members is also a member of the company. Further details of the constitution of the company are given in note 13 to the financial statements

Delegation of Day to Day Management

Day to day management is delegated to the Chief Executive – A D Johnson and a Leadership Team consisting of four members of the Council of Management (P A Broadbent, S J Chalke, I C Coffey and R C Dearnley) plus three other members of the company (R Rook, R Orrell & J Lucas)

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

History

Spring Harvest grew out of a family orientated teaching conference set up in 1979 by Elm House Christian Trust and Youth for Christ with the aim of bringing together individuals, families and churches to undertake a week of Christian teaching and worship within a relaxed holiday environment

Following dramatic growth Spring Harvest was established as an independent charity and company limited by guarantee in 1992

Objectives & Activities

The objects of the charity are -

- the promotion of the Christian religion
- the proclamation of the Gospel of Jesus Christ within the British Isles and overseas
- the provision and organisation of educational and evangelistic conferences

The charity has the general aim of the promotion of the Christian faith and/or teaching, discipling and evangelism for example contributing to the quality of life of the individual and the nuclear family, whether they are engaged with the Christian church or just interested in discovering more. It also seeks to equip the wider Christian church family in supporting one another, motivating and equipping the Church to fulfil its mission and enabling individuals, the family and the wider church to understand our culture and engage with society

The strategies employed to achieve the charity's objectives for the year included -

- the provision of the charity's core activity of an educational and evangelistic annual event at Butlins open to people of all ages and sections of the community
- the provision of other conferences including those aimed at church leaders, those working with and leading young people, and charities espousing a Christian ethos
- the publishing of magazines
- the production of printed material
- the recording and distribution of video and audio teaching and worship material
- the pioneering of best practice in a variety of areas including the implementation of the Disability Discrimination Act and Child Protection and sharing this with other charities and organisations
- the provision and delivery of conference infrastructures for programmes provided by other organisations with similar objectives

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

Structure, Governance & Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 31 05 1992 and registered as a charity on 1 10 1992. The company is governed by its Memorandum and Articles of Association. There are currently 19 members of the company of whom 15 serve on the Council of Management.

Recruitment and Appointment of Trustees

The directors of the company known as members of the Council of Management are also charity trustees. Under the requirements of the Memorandum and Articles of Association the members of the Council of Management are appointed and they may be re-appointed to serve for a maximum period of five years with a year's break before they may be re-elected. The Council of Management may from time to time waive the year's break when continuity in a key post such as Chair of Council is deemed to be in the best interests of the charity.

All members of the Council of Management (who have a wide knowledge of the beneficiary/potential beneficiary group served by the company) are advised of the retiring trustees and circulated with an invitation to nominate new trustees having regard to the skills, experience or beneficiary/potential beneficiary representation which the Council of Management have identified as being required at the present time. The appointment of Rev Nims Obunge, with his understanding of Black Majority churches is a recent example. Full discussion takes place on each of the nominees following which a ballot is taken amongst Council members and a final appointment is made.

The Council of Management is satisfied that both the legal and financial needs of the charity are well served by its current professional advisors.

A register of interests is held on each of the trustees.

Trustee Induction and Training

New trustees have often come to the Council of Management with extensive experience on the boards of other charities and been very familiar with Spring Harvest having participated in one or more of its primary activities. Any new trustee therefore comes with a high level of awareness of the charity's objectives, structures, operational activities and personnel.

In addition all trustees are supplied with the Memorandum and Articles of Association, current minutes and recent financial reports plus the charity's 'Governance Manual' which covers all aspects of their legal obligations under charity and company law as well as the committee structures and decision making processes of Spring Harvest as an organisation. In addition access to the Charity Commission publication 'The Essential Trustee: What you need to know' is given.

A copy of the charity's 'Heartbeat' document which expands in detail the 'thrusters' currently being pursued to fulfil the charity's vision, mission and purpose is made available.

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

Before attending their first Council of Management meeting either the Chief Executive and/or the Chair of Council will seek to meet with new Council members to answer any questions they may have. Trustees are also encouraged to attend any external training events and Spring Harvest is itself organising such an event in October 2007, and at which the Chair of the Charity Commission is speaking, aimed at addressing the critical issues on governing charities which have similar objects to those of Spring Harvest.

Organisation Structure

The Council of Management

The Council of Management, which can have up to 15 members, carries the legal and financial responsibility for the charity and establishes the vision and mission of the charity while monitoring its activities and policies. The Council meets twice a year for a full day plus often an additional strategic planning day to which are invited up to 30 individuals involved in the activities of the charity including senior members of staff. The Council has appointed a Leadership Team, which may consist of up to one third of the Council (currently 4 are appointed) plus others drawn from the membership of the charity and the Chief Executive. In addition there is a finance committee consisting of two members of Council plus the Chief Executive and his deputy.

The Leadership Team

The Leadership Team numbers eight people, who meet approximately 9/10 times per year normally over a three day period. They are responsible for moving forward the creative, strategic and tactical development of the charity and work within a code of reference outlined in the charity's Governance Manual. They meet both independently and together with the relevant Heads of Department from the full time Head Office staff. Out of these meetings the Head Office staff are released to deliver agreed objectives and undertake operational planning.

Management & Staffing

The Chief Executive appointed by the trustees is responsible for the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters, including finance, marketing, and business development. In addition the Chief Executive is responsible for recruiting and supporting the staff team to provide the skills and expertise needed to run the charity. Currently the charity is well served by a highly experienced and motivated set of senior managers leading the various departments.

Related Parties

The charity has a close relationship with three related parties -

The first is the Spring Harvest Charitable Trust (SHCT) which was established to administer (by way of grant-making) the offerings raised during the charity's main event. SHCT acts independently of the charity although the trust deed of SHCT requires that its trustees must be drawn from the Council of Management or from the leadership team (formerly the Executive Committee) of Spring Harvest. The SHCT trustees take account of the Spring Harvest theme and foci for the year in deciding on their foci for charitable grants.

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

The second is Spring Harvest Holidays Ltd (SHH) details of which are set out in note 8 of the accounts. The charity provides services for SHH in the form of management, finance, marketing, and customer services for which the charity is reimbursed via a management agreement. Although a registered trading company SHH shares a common vision and purpose with that of the charity especially in the areas relating to the promotion of the Christian religion and importance of stable and supportive family life. Members of the Council of Management and the charity's Chief Executive sit on the board of SHH alongside others.

The third is Christian Communications Partnership Ltd (CCP) details of which are set out in note 8 of the accounts. CCP has similar goals to that of the charity namely 'seeking to inform, encourage and equip the church for action by creating relevant and targeted printed and multimedia resources' which it achieves through the publication of the specialist magazines Christianity, Youthwork and Christian Marketplace. Both organisations actively support the work of each other and one of the charity's members and the Chief Executive of the charity sit on the board of CCP. The charity through the Chief Executive also offers management and marketing advice.

Risk Management

The trustees have a risk management strategy which comprises -

- an annual review of the risks which is undertaken on behalf of the Council of Management by the Chief Executive and his deputy plus two members of the Council of Management
- the establishment of systems and procedures to mitigate those risks identified in the plan, and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

The annual risk assessment acts as an invaluable tool in ensuring that appropriate systems and controls are in place to protect the charity in the areas of governance, management, activities, premises, IT, finance, litigation and reputation.

Following this process the major risks to which the charity is exposed, as identified by the Council of Management, have been reviewed this year and systems or procedures have been established to manage those risks.

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

Achievements & Performance

Spring Harvest – 'The Main Event'

The primary activity of the charity, which is undertaken on an annual basis, is the delivery of the 'Main Event', known universally under the name of the charity as *Spring Harvest*. Once again *Spring Harvest* was held at the Butlins resorts in Minehead and Skegness over seven Spring Harvest weeks (6 days / 5 nights) during the Easter school holiday period.

The following review of performance is undertaken in light of the objectives that had been set by the Council of Management for the year under review.

All weeks were close to full with approximately 50,000 attending including day visitors. It would appear from the 'wait list' that if the Butlins resorts had more accommodation, particularly self-catering, many more would attend with the indication that anything between 4,000 to 10,000 are unable to book each year.

The Main Event provides an opportunity for individuals, families, and wider Church families to engage in teaching and worship opportunities around a central theme all within a relaxed 'holiday' environment providing a holistic experience.

The teaching provision is structured by age for the children and youth, and for adults by a range of styles depending on preferred learning methods seeking to reflect best adult education practices. All age groups address the same core theme, adapted appropriately, so that when back in the family or church group all ages can share what has been learnt.

There are programmes for the under 5's and 5-7's each morning and for the 8-11's, 11-14's and 15+ both in the morning and evening. In addition the younger children have the opportunity to engage in teaching and worship with members of their wider family each evening within an all-age programme.

The adult programme, structured around the annual 'theme', is approached through a number of 'lenses' so that each individual can engage with the core material in a style which suits them. The options on offer vary widely and range from the multi-media interactive to the academic. In addition wide choices of other seminars are offered on subjects which this year included Marriage, Parenting, Mental Health, Living with Loss, Conflict Resolution, and How Can Churches Support Children with Special Needs.

A highly skilled and experienced Pastoral team, including trained counsellors, medical doctors and psychiatrists, are available each week to meet with individuals. During the course of *Spring Harvest* over 700 individual appointments were made by guests to meet with the Pastoral team.

The Main Event continues to pioneer the way for the implementation of the Disability Discrimination Act in respect of major events with the provision of BSL signing, speech to text, loop systems, Braille and large print teaching material. Also provided throughout the event is an experienced Disability Co-ordinator who handles any questions which may arise on a one to one basis.

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

Two of the weeks have special streams for adults with learning disabilities organised in conjunction with the charity Causeway Prospects and with over 200 in attendance

To deliver the Main Event 3,000+ team members are recruited annually with approximately one-third being invited team members and two-thirds volunteers. The role of the volunteer plays a major contribution to the ministry of Spring Harvest fulfilling roles which include stewarding, administration, children's workers and youth workers

In 2006 the charity began a three year trilogy under the heading of 'One' for its Main Event teaching theme with 'One God' being addressed in 2006, 'One People' in 2007 and 'One Hope' in 2008

This year the 'One God' theme was approached under four headings looking at 'The Creator God', 'The Universal God', 'The Human God' and 'The Sovereign God'

In addition, following on from the Main Event, the charity provided the administration and infrastructure for the Elim Annual Conference which took place at the Butlins resort at Minehead

Other Conferences

During the course of the year the Charity delivered three other conferences

Youthwork the Conference

Building a Prodigal Friendly Church

Studentworker Conference

Youthwork the Conference – is part of Youthwork the Partnership, which brings together Oasis, Youthwork Magazine, ALOVE, Youth for Christ and Spring Harvest. The group offers -

- Youthwork the Conference
- Youthwork Magazine
- Youthwork online
- Youthwork the resources
- Youthwork the training

In November 2005 the charity provided the project management, programming, administration, marketing and financial controls for 'Youthwork the Conference' which was held at Southport and Eastbourne each over a three day period covering the weekend. The conference trained and resourced 1,600 both volunteers and salaried full time and part time youth workers

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

Building a Prodigal Friendly Church – was a conference held in February 2006 at the Butlins resort at Minehead which brought together Care for the Family, RUN and Spring Harvest. The conference looked at how the church could reach out to those who once attended church, help them return and then retain them within the context of a fast changing society. 900 delegates attended many of whom were church leaders.

Again the charity provided project management, programming administration, marketing and financial controls.

Studentworker Conference – In August 2006 working with Fusion the charity provided the project management, programming, marketing and financial controls for a small conference of 52 people all of whom were working with students in the local church. The conference offered training and insights into how best to support university students attending local churches away from their home environment.

Resources

As a by-product of the teaching and worship at the conferences a variety of resources are produced on tape, CD, DVD in conjunction with the ICC Media Group. This involves making available all the teaching on tape and CD.

Each year the charity produces a new song book which aims to include at least 50% of new songs giving the opportunity for new material and new song writers to gain exposure and be used by churches throughout the UK.

An annual live worship album, a new songs album based on material new to *Spring Harvest* and a variety of music tapes for children are produced.

Publishing

The charity had been developing a publishing department over a number of years but due to staff changes and the number of books being published annually within the Christian community it was decided to scale back activities and concentrate on annual theme-related books and the successful workbook series for home groups and private study.

Christian Communications Partnership Ltd (CCP)

The charity plays an active part in the management and marketing of the three magazines produced by CCP namely Christianity, Youthwork, and Christian Marketplace. The charity was able to recruit over 1,400 Christianity subscribers at its Main Event thereby helping to retain and grow the readership.

Christianity magazine runs an annual series of articles based on the *Spring Harvest* event theme thereby preparing those who will be attending the Main Event, reinforcing the teaching and making theme-related teaching available beyond those attending the Main Event.

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

Spring Harvest Holidays Ltd (SHH)

The offices of SHH are situated within the charity's premises and during the course of the year the charity provides administrative and management assistance from within its executive, finance, human resources and marketing departments, the costs of which are reimbursed under a management agreement between the charity and SHH

Spring Harvest Charitable Trust (SHCT)

SHCT was established to distribute the funds raised by the charity particularly at the main event and the charity provides ongoing administrative services to SHCT, including that of the Secretary, for which an administrative charge was made during the year

Financial Review

In line with previous years the two major sources of income for the Charity were conference revenue and the ministry resources generated. In the past financial year the conference income accounted for 75% of the charity's income the majority of which was generated by the Main Event – *Spring Harvest*

Following the budgeted loss of the previous financial year a number of initiatives were introduced -

- Full review of targeted attendance at Main Event
- Review of team sizes in light of the reduction in accommodation capacity at the Butlins resorts thereby reducing the maximum number of guests able to attend the Main Event
- Introduction of an additional week to facilitate the Elim conference
- Introduction of the new 'Skyline Package' for the delivery of the exhibition at the Main Event
- Review of the overall expenditure of the Charity

The results of these new initiatives and reviews were to turn the previous year's deficit of £97,094 into a surplus of £350,643

All members of staff are thanked for their excellent work in making savings of 2.6% on expenditure budgets helping the charity to achieve these excellent results

A small surplus of £2,469 was made on Youthwork the Conference and small losses on the Building a Prodigal Friendly Church (-£4,433) and Student Workers (-£435) conferences

All monies not needed for immediate use are transferred to short term deposits

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

Reserves Policy

The trustees have examined the charity's requirements for reserves in light of the risks to the organisation and need for future investment and development of the charity's activities. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should cover the charity's liabilities should it need to wind up and for delivering elements of the next Main Event acknowledging that -

- The Main Event – *Spring Harvest* generates on average 90% of its income within an eight week period annually and its subsequent impact on cash flow
- The charity's reliance on the Butlins facilities and the possibility that they may not always be available, for whatever reason, and with no alternative venue, then the charity's income would for the most part cease and could necessitate the winding up of the charity

Liabilities have been identified at £220,000 while the fulfilment of liabilities incurred in the delivery of the next annual event has been set at £600,000. Free reserves stand at £945,000 leaving a sum of £125,000 which is being set aside for future investment in the development of the charity and as a reserve against the potential impact of the change in the historical booking trend the new Easter school holidays may have in 2008. The Free Reserves also meet the networking capital requirements for the coming financial year.

Plans for Future Periods

The plans for the future include continuing -

- to deliver the *Spring Harvest* Main Event and look for new ways to reach the maximum number of people, filling each *Spring Harvest* week, from all areas of the church with the annual theme delivered in culturally relevant styles
- to work with our partners in the delivery of *Youthwork the Conference* at Southport and Eastbourne and increase attendance from the 2005 figure of 1,600
- to work with our partners in *CCP Ltd* in the delivery and development of the magazines looking to increase circulation and possible new titles

and -

- agreeing a new contract with Butlins for the use of their facilities for the three year period 2007 to 2009 (This has now been achieved)
- launching a new conference called *Aiming4Excellence* targeted to charities espousing a Christian Ethos with the objective of raising the standard of governance amongst these charities
- educating *Spring Harvest* guests as the 200th anniversary of William Wilberforce is celebrated in 2007 with the facts of modern slavery and inspire them with ways to respond to the current situation
- by the 2008 Main Event transferring most of the charity's communication with its 3,000+ team members from a paper based system to the web with the consequent savings in paper and other related costs and environmental impact

Spring Harvest

REPORT OF THE COUNCIL OF MANAGEMENT

Disclosure of information to auditors

To the knowledge and belief of the council members, there is no relevant information that the charity's auditors are not aware of, and the council members have taken all the steps necessary to ensure the council members are aware of any relevant information, and to establish that the charity's auditors are aware of the information

Auditors

The auditors, Jacob Cavenagh & Skeet, are deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members

Registered office
14 Horsted Square
Uckfield
East Sussex
TN22 1QG

21 June 2007

ON BEHALF OF THE
COUNCIL OF MANAGEMENT


L. Bowring
Chairman

SPRING HARVEST

COUNCIL MEMBERS' RESPONSIBILITIES

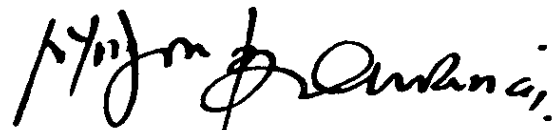
The council members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the council members to prepare financial statements for each financial year. Under that law the council members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements, the council members are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

ON BEHALF OF THE
COUNCIL OF MANAGEMENT



L Bowring
Chairman

21 June 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SPRING HARVEST

We have audited the financial statements of Spring Harvest for the year ended 30 September 2006 which comprise the Statement of Financial Activities, Income and Expenditure Account, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 council members and auditors

The council members (who are also directors of Spring Harvest for the purposes of company law) responsibilities for preparing the Report of the Council of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Council Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Council of Management is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding council members' remuneration and transactions with the charity is not disclosed.

We read the Report of the Council of Management and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes 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 charity'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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the charity as at 30 September 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- The information given in the Report of the Council of Management is consistent with the financial statements.

Jacob, Cavenagh + Skeet

Jacob Cavenagh & Skeet

Chartered Accountants and Registered Auditor

5 Robin Hood Lane

Sutton

Surrey

SM1 2SW

29 June 2007

SPRING HARVEST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2006

		Unrestricted Funds	
	Note	2006	2005
		£	£
Incoming resources			
Incoming resources from generated funds			
Investment income	2	80,209	77,755
Donations		47,129	15,719
Incoming resources from charitable activities			
Conference revenue		2,909,389	2,390,966
Ministry resources		639,586	662,063
Other incoming resources		<u>182,813</u>	<u>81,209</u>
Total incoming resources		<u>3,859,126</u>	<u>3,227,712</u>
Resources expended			
Charitable activities	3	3,303,253	3,141,460
Governance costs	4	35,278	28,094
Other resources expended		<u>169,952</u>	<u>155,252</u>
Total resources expended		<u>3,508,483</u>	<u>3,324,806</u>
Net income/(expenditure) for the year	5	350,643	(97,094)
Total funds brought forward		<u>1,802,844</u>	<u>1,899,938</u>
Total funds carried forward		<u>2,153,487</u>	<u>1,802,844</u>

The statement of financial activities includes all gains and losses recognised in the year

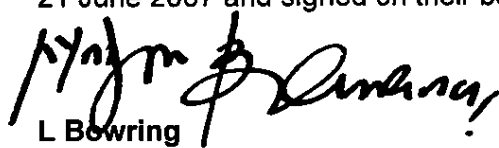
All incoming resources and resources expended derive from continuing activities

SPRING HARVEST

BALANCE SHEET AS AT 30 SEPTEMBER 2006

		2006		2005	
	Note	£	£	£	£
Fixed assets					
Tangible assets	7		295,286		258,937
Investments	8		<u>912,984</u>		<u>865,855</u>
			1,208,270		1,124,792
Current assets					
Stocks	9	44,622		49,377	
Debtors and prepayments	10	350,794		271,484	
Cash at bank		<u>836,173</u>		<u>678,134</u>	
		1,231,589		998,995	
Creditors Amounts falling due within one year	11	<u>286,372</u>		<u>320,943</u>	
Net current assets			<u>945,217</u>		<u>678,052</u>
Net assets			<u>2,153,487</u>		<u>1,802,844</u>
Total charity funds					
Accumulated Fund	12		<u>2,153,487</u>		<u>1,802,844</u>

The financial statements were approved by the Council of Management on
21 June 2007 and signed on their behalf by


L Bowring
Chairman

SPRING HARVEST

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Note	2006 £	2005 £
Net cash (outflow)/inflow from charitable activities	17	222,810	253,493
Returns on investments and servicing of finance			
Investment income		80,209	77,755
Donations		47,129	15,719
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(148,830)	(208,325)
Proceeds from sale of tangible fixed assets		<u>3,850</u>	<u>341</u>
		(144,980)	(207,984)
Acquisitions and disposals			
Purchase of interest in associate		<u>(47,129)</u>	<u>(15,719)</u>
Increase / (Decrease) in cash in the year	17	<u>158,039</u>	<u>123,264</u>

STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITY USE FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Unrestricted Funds	
	2006 £	2005 £
Net movement in funds for the year	350,643	(97,094)
Resources used for net acquisitions of tangible fixed assets	<u>(36,349)</u>	<u>(109,871)</u>
Net movement in funds available for future activities	<u>314,294</u>	<u>(206,965)</u>

SPRING HARVEST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 Accounting policies

1 1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985

1 2 Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability

1 3 Tangible fixed assets and depreciation

From 1 October 2001 tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows

Motor vehicles	– over 4 years
Equipment	– over 4 to 6 years
Computer equipment	– over 3 to 4 years
Video equipment	– over 2 to 4 years

1 4 Fixed asset investments

Fixed asset investments are shown at market value. Where the market value is not readily ascertainable, the directors' best estimate is used

1 5 Pension scheme arrangements

Defined contribution scheme

The pension costs charged represents the amount of the contributions payable in respect of the accounting period

1 6 Charitable activities expenditure

This comprises expenditure directly related to the objects of the charity, including project management and support functions. Support costs are allocated principally on a basis of the proportion of time spent by employees

1 7 Governance costs

This comprises expenditure to comply with statutory and legal requirements

1 8 Fund accounting

Unrestricted funds are expendable at the discretion of the council of management in furtherance of the objects of the company

SPRING HARVEST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006 (continued)

2	Investment income	2006 £	2005 £
	Bank interest	32,898	32,067
	Loan Interest	<u>47,311</u>	<u>45,688</u>
		<u>80,209</u>	<u>77,755</u>

3 Charitable activities

	Activities undertaken £	Support costs £	Total £	2005 £
Conferences	2,380,236	427,271	2,807,507	2,665,868
Ministry resources	358,510	98,276	456,786	514,839
Tithe	<u>38,960</u>	<u>-</u>	<u>38,960</u>	<u>-</u>
	<u>2,777,706</u>	<u>525,547</u>	<u>3,303,253</u>	<u>3,180,707</u>

4 Support costs

	Conferences £	Ministry resources £	Other resources expended £	Governance £	Total £	2005 £
Management	72,473	21,952	-	7,318	101,743	90,641
Finance	75,368	12,799	35,593	7,110	130,870	124,382
Human resources	47,845	5,629	-	2,814	56,288	53,498
IS&T	231,585	57,896	-	-	289,481	219,500
Travel	-	-	-	1,674	1,674	1,412
Professional fees	-	-	-	4,073	4,073	1,450
Audit	-	-	-	<u>12,289</u>	<u>12,289</u>	<u>8,800</u>
	<u>427,271</u>	<u>98,276</u>	<u>35,593</u>	<u>35,278</u>	<u>596,418</u>	<u>499,683</u>

5	Net income/(expenditure) for the year	2006 £	2005 £
	This is stated after charging/(crediting)		
	Staff costs (see note 6 1)	1,178,255	1,086,761
	Auditors' remuneration – for audit services	9,800	8,800
	– for non-audit services	2,488	-
	Depreciation	112,481	97,316
	(Profit)/Loss on disposal of fixed assets	(3,850)	797
	Operating lease rentals – land and buildings	<u>67,872</u>	<u>66,156</u>

SPRING HARVEST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006 (continued)

6 Employee information

6 1 Staff costs	2006	2005
	£	£
Wages and salaries	997,277	928,909
Social security costs	108,000	96,788
Other pension costs	<u>72,978</u>	<u>61,064</u>
	1,178,255	1,086,761
Benefits in kind	<u>38,024</u>	<u>35,214</u>
	<u>1,216,279</u>	<u>1,121,975</u>

6 2 The average monthly number of employees (excluding Council of Management members) during the year was made up as follows	2006	2005
	Number	Number
Finance	4	4
Marketing	4	3
Information technology	4	4
Administration	<u>29</u>	<u>33</u>
	<u>41</u>	<u>44</u>

No employee received emoluments exceeding £60,000 in the year (2005 None)

6 3 Council of Management members' emoluments

No remuneration was paid to any member of the Council of Management in respect of such office. In respect of management and other services, particular council members received the following amounts, as permitted by the Memorandum of Association

Council member	2006	2005
	£	£
D Blackwood	-	360
P Broadbent	5,870	14,940
S Chalke	24,045	19,080
S M Clifford	360	360
I C Coffey	18,720	18,685
R Dearnley	19,045	21,210
G J Kelly (resigned 16 12 04)	-	3,788
J Lucas (resigned 16 12 04)	-	5,555
R E G Orrell (resigned 16 12 04)	-	3,797
M White	<u>360</u>	<u>370</u>
	<u>68,400</u>	<u>88,145</u>

	2006	2005
	£	£
Expenses reimbursed to members of the Council of Management for travel and subsistence	<u>4,241</u>	<u>7,626</u>
Number of members to whom expenses were reimbursed	<u>13</u>	<u>14</u>
Council of Management indemnity insurance	<u>1,155</u>	<u>1,300</u>

SPRING HARVEST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006(continued)

7 Tangible fixed assets

	Motor vehicles £	Head Office plant and equipment £	Computer equipment £	Video equipment £	Total £
Cost					
At 1 October 2005	92,487	116,832	254,315	80,572	544,206
Additions	31,270	16,564	100,996	-	148,830
Disposals	(28,830)	-	(3,672)	-	(32,502)
At 30 September 2006	<u>94,927</u>	<u>133,396</u>	<u>351,639</u>	<u>80,572</u>	<u>660,534</u>
Depreciation					
At 1 October 2005	67,531	65,572	71,594	80,572	285,269
Charge for the year	12,632	23,371	76,478	-	112,481
Released on disposals	(28,830)	-	(3,672)	-	(32,502)
At 30 September 2006	<u>51,333</u>	<u>88,943</u>	<u>144,400</u>	<u>80,572</u>	<u>365,248</u>
Net book value					
At 30 September 2006	<u>43,594</u>	<u>44,453</u>	<u>207,239</u>	-	<u>295,286</u>
At 30 September 2005	<u>24,956</u>	<u>51,260</u>	<u>182,721</u>	-	<u>258,937</u>

The tangible fixed assets are held in direct furtherance of the charity's objects

8 Fixed asset investments

	Shares in associate £	Shares in joint venture £	Loan to joint venture £	Total £
At valuation				
At 1 October 2005	15,756	50,099	800,000	865,855
Purchased in year	<u>47,129</u>	-	-	<u>47,129</u>
At 30 September 2006	<u>62,885</u>	<u>50,099</u>	<u>800,000</u>	<u>912,984</u>
Historical cost at 30 September 2006	<u>62,885</u>	<u>50,099</u>	<u>800,000</u>	<u>912,984</u>

Fixed asset investments are held primarily as part of charitable activities and are all held within the United Kingdom

The charity owns 37% of the issued ordinary share capital of Christian Communications Partnership Ltd, a company registered in England. The company publishes the specialist magazines Christianity, Youthwork, Christian Marketplace which serve the Christian marketplace.

The charity owns 60% of the issued ordinary share capital of Spring Harvest Holidays Ltd, a company registered in England. The company is used for non-primary purpose trading activities, namely the provision of holidays. Spring Harvest Holidays Ltd is not a subsidiary within the definition of FRS 2. Ultimate decision making is by mutual agreement between the two shareholders. Consolidated accounts are not therefore prepared, and Spring Harvest Holidays Ltd is accounted for as a joint venture.

The £800,000 loan is secured by a fixed and floating charge over the assets of Spring Harvest Holidays Ltd.

The Charity also owns 100% of the issued share capital of Spring Harvest Holidays No 2 Ltd, a dormant company registered in England.

SPRING HARVEST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006 (continued)

8 Fixed asset investments (continued)

The charity's share of results for the year and balance sheets are as follows

	Christian Communications Partnership Ltd 30 September		Spring Harvest Holidays Ltd 31 October	
	2006 £	2005 £	2006 £	2005 £
Turnover	440,718	412,957	883,589	819,193
Cost of sales	<u>212,229</u>	<u>185,154</u>	<u>688,451</u>	<u>674,980</u>
Gross profit	228,489	227,803	195,138	144,213
Administrative expenses	(230,628)	(225,216)	(242,750)	(239,021)
Other operating income & interest	<u>548</u>	<u>846</u>	<u>(76,568)</u>	<u>(116,394)</u>
Net profit / (loss)	<u>(1,591)</u>	<u>3,433</u>	<u>(124,180)</u>	<u>(211,202)</u>
Assets	75,674	89,244	2,074,001	2,240,206
Liabilities	<u>(151,846)</u>	<u>(192,534)</u>	<u>(2,399,245)</u>	<u>(2,441,270)</u>
Funds	<u>(76,172)</u>	<u>(103,290)</u>	<u>(325,244)</u>	<u>(201,064)</u>
9 Stocks			2006 £	2005 £
Goods for resale			<u>44,622</u>	<u>49,377</u>
10 Debtors			2006 £	2005 £
Trade debtors			26,452	34,660
Other debtors including other taxation			7,106	8,154
Amounts due from joint venture			182,102	92,139
Prepayments and accrued income			<u>135,134</u>	<u>136,531</u>
			<u>350,794</u>	<u>271,484</u>
11 Creditors Amounts falling due within one year			2006 £	2005 £
Amount due to Butlins			15,405	178,178
Other creditors including other taxation			41,773	46,962
Tithe			38,960	-
Accruals and deferred income			<u>190,234</u>	<u>95,803</u>
			<u>286,372</u>	<u>320,943</u>

SPRING HARVEST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006 (continued)

12 Unrestricted funds	Balance at 1 October 2005 £	Movement in resources		Balance at 30 September 2006 £
		Incoming £	Outgoing £	
Unrestricted funds	<u>1,802,844</u>	<u>3,859,126</u>	<u>3,508,483</u>	<u>2,153,487</u>

13 Constitution of the company and status

The governing instrument of the company is its Memorandum and Articles of Association

The company is limited by guarantee, the liability of each member being limited to £1 At 30 September 2006 there were 15 (2005 18) members

The company is registered as a charity with number 1014540

The company is registered as a charity with the Inland Revenue, reference X80012A, and is exempt from corporation tax under s505 ICTA 1988

14 Related party transactions

Spring Harvest is connected to The Spring Harvest Charitable Trust, charity registration number 1042041 The principal contact address of Spring Harvest Charitable Trust is the same as that of Spring Harvest All the Trustees of the Trust are also members of the Council of Management of Spring Harvest Spring Harvest charged £17,000 (2005 £17,000) to the Trust for administrative services during the year All the income of the Trust (other than interest received) consists of the proceeds of offerings taken at events organised and operated by Spring Harvest pursuant to its charitable objects

Spring Harvest is connected to Spring Harvest Holidays, company registration number 3509419 During the year a management charge of £145,000 (2005 £70,000) and a loan interest charge of £47,271 (2005 £45,688) was made by Spring Harvest to Spring Harvest Holidays Limited Expenses of £13,483 (2005 £20,154) were reimbursed to Spring Harvest and at the year end a balance of £182,102 (2005 £92,139) was due to be paid

15 Financial commitments

The company has financial commitments in respect of non-cancellable operating leases of land and buildings The rentals payable under these leases in the next year are as follows

Date of lease termination	2006 £	2005 £
Relating to land and buildings		
Within one year	<u>11,000</u>	<u>5,616</u>
Within two to five years	<u>60,000</u>	<u>60,000</u>
After five years	<u>-</u>	<u>-</u>

16 Pension scheme arrangements

The company operates defined contribution pension schemes The assets of the schemes are held separately from those of the company in independently administered funds The pension cost charge represents the contributions paid by the company to the funds and amounted to £72,978 (2005 £61,064) for the year

SPRING HARVEST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006 (continued)

17 Cash flow information

a) Reconciliation of changes in resources to net inflow from charitable activities	2006 £	2005 £	
Net incoming resources	350,643	(97,094)	
(Profit)/Loss on disposal of fixed assets	(3,850)	797	
Depreciation	112,481	97,316	
(Increase)/decrease in stock	4,755	(6,706)	
(Increase)/decrease in debtors	(79,310)	152,796	
(Decrease)/increase in creditors	(34,571)	199,858	
Investment income	(80,209)	(77,755)	
Donations	<u>(47,129)</u>	<u>(15,719)</u>	
Net cash (outflow)/inflow from charitable activities	<u>222,810</u>	<u>253,493</u>	
b) Reconciliation of net cash flow to movement in net funds	2006 £	2005 £	
(Decrease)/increase in cash for the period	158,039	123,264	
Net funds brought forward	<u>678,134</u>	<u>554,870</u>	
Net funds carried forward	<u>836,173</u>	<u>678,134</u>	
c) Analysis of net funds	1 October 2005 £	Cash flow £	30 September 2006 £
Cash at bank and in hand	<u>678,134</u>	<u>158,039</u>	<u>836,173</u>