

Charity Registration No. 291662

Company Registration No. 01897198 (England and Wales)

CANTERBURY OAST TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

CANTERBURY OAST TRUST

CONTENTS

	Page
Trustees' and strategic report	1 - 16
Independent auditor's report	17 - 19
Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23 - 40

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS DURING THE YEAR WERE:

Trustees

Russell Walters
Trevor Pearce
Jane Abbott
Chris Showell
Peter Pearson-Wood
Kenneth Hesketh
Michaela Tweedley
Ruairidh Roberts
Karen Blackiston
Sophy Hazevoet

Chair
Vice Chair
Lead for Care
Lead for Finance and Human Resources
Lead for Rare Breeds Centre

Company registered number
1897198

Charity registered number
291662

Registered Office
Highlands Farm, Woodchurch, Kent, TN26 3RJ

Secretary
Karen Blackiston

Chief Executive
Joanne Creighton (until 31/03/22)
Bernie Mayall (Interim, until 12/09/22)
Sarah Edwards (from 12/09/22)

Senior Managers

Fiona Dodge (until 05/07/22)
Vicky Wardrope (from 16/05/22)
Susan Langford-Smith (until 30/04/22)
Dominic Evans (from 20/04/22)
Ian Bolingbroke
Joanne Booth (until 06/10/22)
Claire Wye (from 20/09/22)
Tina Morris

Head of Care
Acting Head of Care
Financial Controller
Interim Head of Finance
Head of Estates
Head of Human Resources
Interim Director of People & Culture
Head of Visitor Engagement

Auditor
RSM UK Audit LLP, Portland, 25 High Street, Crawley, West Sussex, RH10 1BG

Bankers
National Westminster Bank plc, 20 High Street, Ashford, Kent, TN24 8SH

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

Letter from the Chair:

Whilst subsequent to the financial year end, clearly, the CQC report and an inadequate rating for our Supported Living Services was the most important event in the last year and the most disappointing.

As one who has a relative in the Trust and has been involved for nine years on the Board, it is really important to me that we provide a good, but preferably outstanding service across all that we do. This is a salutary lesson that, in spite of best intentions and a great deal of hard work by so many people, it is possible for things to go wrong.

So much work has been put in by key staff since that rating and I must offer huge thanks to many, but particularly to Vicky Wardrope who has stepped up to Acting Head of Care and assumed new responsibilities with the guidance and direction of Bernie Mayall, our interim CEO.

There is much practical work underway, but progress has already been made in addressing the issues raised by KCC and CQC. We come back, however, time and time again, to one key issue and one of our key risks - the recruitment and retention of good staff. It remains a continuing difficulty.

One area where we have had success is in recruiting our new Chief Executive. I am delighted that Sarah Edwards has agreed to join us and pleased that at least some of those we support, staff and family members, were able to meet her before we made a final decision on her appointment. I am confident that she has the experience, energy and ideas to make a real difference and we all look forward to her taking the reins.

With so much focus on our Supported Living Services, it is easy to forget how much has been achieved in other parts of the organisation. A great deal of work has been done to upgrade the quality and availability of our Life Skills programmes, whilst the Rare Breeds Centre has been going from strength to strength, capitalising on the significant investments made to improve the facilities. Welcoming 117,000 visitors to the RBC in 2021, in spite of Covid-19, was a remarkable achievement. It is a credit to RBC Management and provided a continuing showcase for those we support to the wider world.

Covid-19, of course, continued to present huge challenges to the Trust. Whilst it is a tremendous success to report that we managed to keep all of those we support safe, with no cases reported amongst them until after Christmas 2021, we must recognise the effect it has had on so many people, including our staff and families.

Being unable to see and support loved ones, seeing them unable to get out and about and the understandable concerns and fears over the virus itself, have left many of those we support with real concerns and in some cases, medical issues, but staff continue to be understanding and supportive.

As I come to the end of my time as Chair, I can assure you that Trustees and everyone involved in COT is working as hard as they can to address the current issues within our Supported Living Services. It will take a little time as CQC have a rigorous process to go through. But we will demonstrate to them what we can achieve and how committed we are to doing so. We remain determined to being seen as a leading provider of care.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

The Trustees (who are also Directors of the company for the purposes of the Companies Act) submit their annual report and the audited financial statements of Canterbury Oast Trust (the Trust or 'COT') for the year ended 31 March 2022.

The Trustees confirm that the annual report, which includes the strategic report and financial statements of the Trust, comply with current statutory requirements, the requirements of the Trust's governing documents and the Companies Act 2006 and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

1. CONSTITUTION & OBJECTIVES

The Trust is governed by a Memorandum and Articles of Association and is a registered charity, number 291662.

The charitable purpose of the Trust is to provide for the training, instruction, employment, future living, occupation, accommodation, sustenance, maintenance and care of people with a learning disability, whether or not they have any other disability

2. ORGANISATIONAL STRUCTURE, COMMUNICATION AND DECISION MAKING

Under the terms of the Articles of Association, the Trust is managed by a Board of up to eleven Trustees and a maximum of three co-opted persons. Each Trustee may serve a maximum of three terms of three years. The Trustees who served during the year are listed on Page 1.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per voting member of the Trust.

2.1 Governance

The Board met 5 times in the financial year and also held a strategy away-day meeting in October 2021, with the Senior Management Team to discuss and review the charity's strategic direction

Throughout the year, issues were discussed in more detail at the following Committees:

- Finance (including commercial activities) - met 5 times during the year;
- Care - met 4 times during the year;
- Human Resources - met 4 times during the year.

The Board has elected Lead Trustees for Finance, Care, Human Resources and the Rare Breeds Centre. The Lead Trustees for Finance, Care and Human Resources are also Chairs of the relevant Committees.

2.2 Trustee Election, Induction & Training

Trustees are elected or re-elected, as appropriate, by the votes of Full Members at the AGM. Induction for Trustees is arranged and co-ordinated on an individual basis. In principle, new trustees spend time with the Chair of Trustees, the Chief Executive and key members of the senior management team. They also visit the Trust's services to meet those we support and staff, but these visits have been significantly limited over the last year due to Covid-19 restrictions. Time was spent in person where possible, but online otherwise.

The Board currently has one Trustee vacancy. There are two existing trustees coming to the end of their maximum nine-year terms and three up for re-election in October 2022.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

Trustee recruitment priorities focus on those with local authority/care commissioning experience or those currently active in adult social care at a senior level. The board is also looking to strengthen its business and finance experience and seeking someone with the knowledge and experience to take over the role of Chair for the longer term.

The charity considers the Board of Trustees and the Chief Executive as their key management personnel. Salary for the CEO is set annually by the Board of Trustees, taking into account individual performance, proportionality with salaries across the organisation, market data and the charity's ability to pay.

Senior staff are included in an organisation-wide salary scale, which is reviewed annually by the HR Committee, with reference to affordability, recruitment needs and market forces.

2.3 Charity Management

The Trustees delegate responsibility for the Trust's day-to-day activities to the CEO.

The Senior Management team is comprised of:

- The CEO
- Head of Care
- Financial Controller
- Head of Human Resources
- Head of Estates
- Head of Visitor Engagement (who has responsibility for Marketing, PR and the day-to-day running of the Rare Breeds Centre).

Each operating area has a dedicated management team who have access to support from central HR, Finance, Payroll, Estates and Marketing resources. This ensures that frontline teams are free to concentrate on providing the best possible support to our service users, families and visitors.

COT remains a member of the Kent Integrated Care Alliance (KICA). The objectives of the KICA are to represent the interests of all service providers across the County on strategic regional and national bodies and associations. The Alliance also offers a programme of development and improvement with services and benefits to its membership that enable them to meet national statutory and regulatory requirements, local and health authority contractual compliance and to ensure best practice in the care and support they provide to service users and their families.

2.4 Communications

The Covid-19 restrictions disrupted our normal communications programme, but as these restrictions have eased, we have started to return to what we used to think of as a more normal operating environment. Getting back to more regular in-person contact is a priority, but we also recognise the need for electronic, secondary links for those who are geographically more distant.

With Sarah Edwards joining us in October we will be looking again at our communications strategy and continue the search for new and better ways of engaging with everyone in ways that work best for them.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

3. RISK MANAGEMENT

The Trust maintains a detailed Risk Register, which takes into account threats to the charity in relation to:

1. Finance
2. Asset Management:
3. Safeguarding
4. Knowledge & Capacity
5. Information & Data Management
6. Legal, Compliance & Governance
7. Customer Relations, Culture & Ethos
8. Health & Safety
9. Pandemic

Relevant aspects of the Risk Register are reviewed at the various Committee meetings with at least a full annual review by the Board as a whole, with specifics being reviewed as regularly as necessary as they are either identified or rise in assessed risk.

The risk of an adverse CQC rating or Local Authority assessment has always been identified in the register and became the highest priority once it had materialized. The board response was immediate with regular meetings to assist senior management in the development of the action plan and to provide the necessary financial resources to address key issues.

The CQC report was the key existential risk to COT during the year, but the board has not lost sight of other strategic risks and continue to monitor and manage them as appropriate.

Other principal risks currently facing COT include:-

The Staffing Landscape

Staffing remains the major concern and number one risk factor for COT. The care sector as a whole is seeing severe shortages of staff. Low unemployment rates, the reduced flow of overseas workers and funding issues which make it difficult to offer salaries much above the minimum wage, make it difficult to attract new staff.

It follows that COT is not unusual in finding recruitment difficult, despite every effort to identify and attract new people via more usual recruitment routes, but also recruitment consultancies, social media initiatives and the use of agencies.

We continue to offer staff training although face-to-face programmes have been compromised during the pandemic. Our focus going forwards is to continue with our leadership management programmes and, for our care staff, to consider PCAS (person centered active support) training.

Local Authority Funding

Adult social care funding has been under extreme pressure for a number of years and continues to be identified as the top long-term pressure for Local Authorities. It is estimated that, nationwide, around 50% of local authority funding is allocated to adult social care.

KCC has not changed the way it sees the sector as stated in their "Market Position Statement 2021-26". This states that there is an 'oversupply' of care homes in the county and "there is a need to reduce and control the supply of lower-level services and fill the gaps [in more complex care]." To help manage demand and control their costs, KCC is increasingly looking to employ an 'asset-based commissioning' model for adults with learning difficulties requiring social care funding. This approach encourages independence and reduces the need for long-term support, hence reducing the cost to local authorities.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

Care packages are built around individuals, using assets that already exist in the community. Whilst not a majority of those we support, KCC are our largest commissioner of services and others tend to follow their model.

It remains unclear exactly what the impact of the new approach will be on those already being supported by COT. But the strategy of changing our emphasis from residential to supported living care remains essential, to match the demands of local authorities, hence the need for us to address the quality issues that have been identified as quickly as possible.

We can assume, however, that downward pressure on contract rates will continue and residential care vacancies will become harder to fill. The future of group residential homes for any but the most vulnerable adults with learning disabilities is uncertain. Organisations like COT will be increasingly required to minimise the funding gap for mild-to-moderate learning disability care which can only be done either by reducing the opportunities we provide to individuals or finding alternative sources of funding. We have always focused on the latter and will continue to do so.

That said, where appropriate and where financially viable opportunities present themselves, the Trust will continue to invest in new developments that can support greater independence. Following the year end, we purchased two new properties in New Romney, away from the main road and nearer the centre of town behind Old School House.

We recognize that many of the individuals in the care of Canterbury Oast Trust will always need the support that a residential service provides. We know the true cost of providing a 'brighter life' for those who rely on our support - and we remain committed to finding the funding to ensure we can support them in the way they deserve.

The Political Landscape

Adults with learning disabilities are not currently a national political priority. Promised White Papers and other government initiatives have not appeared. This is not likely to change in the near future and is something that COT has very limited ability to impact upon.

The Tourism Sector

Covid-19 hit the tourism industry and the RBC very hard. As Covid-19 restrictions have eased and visitor numbers have started to recover, it has been encouraging to receive feedback from our visitors which emphasise how safe they felt on site, compared to other tourist attractions.

Overall visitor numbers in the last year recovered significantly to near our pre-pandemic levels. We remain optimistic about the future. Rear Breads Centre (RBC) exists to enhance our Life Skills experiences and to generate additional funding to pay for them. We will continue to invest in and enhance our facilities and we have just agreed new plans to refurbish the restaurant.

Technological Developments

Two major improvements have been made, to Estates during the financial year and for Care, after. We have purchased a Care IT system called CAREis, which provides a structured framework for recording the care management of those we support. We have also introduced a new Estates package which helps our Estates team develop and improve the way they manage our properties. We constantly monitor our IT system and environment and make systematic improvements, recognising that it is fundamental to all we do.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

Financial Management

Having taken the strategic decision to subsidise the continuing operating deficit in our care accommodation services, it is vital that the Trust has a robust and effective financial strategy to ensure the charity's sustainability into the longer term. The following priorities underpin our efforts to mitigate that risk:

the ongoing search for more efficient and cost-effective ways of working, across all our activities and services; the articulation of the strongest possible case for fundraising support; improved financial contribution from the Rare Breeds Centre; and prudent and well-informed investment decisions.

The current economic environment with general and energy inflation alongside the increasing minimum wage levels as well as the wider staffing position, make this area increasingly challenging.

Compliance

The work of COT is overseen by 14 different national regulators. In addition, we are required to remain compliant with increasingly challenging contracts for our care accommodation services and Life Skills programmes. There are also general expectations and targets from government regarding subjects such as energy usage reductions, water run-off and sewerage from Highlands Farm. The board is presented with bi-annual reports from the Head of Estates on compliance across all areas of the built estate. The board also receives a summary of accident, incident and near-miss reports at every meeting. The inadequate CQC rating was reported to the Charity Commission under their serious incident reporting protocol.

Insurance remains a key issue for the Trust and we were pleased that after a full review of the Rare Breeds Centre by the insurers, we were able to agree a new 3 year contract for key insurances.

Governance

The three-year strategy developed by the board and senior staff for 2021-24, "Brighter Lives for Good", is the cornerstone to ensuring that the charity continues to be effective, accountable and sustainable.

The board and staff have been working hard to develop and implement an action plan to address the CQC report; this has been the key priority since the report was received. Additional board meetings have been held to monitor progress, provide support and resources as required to ensure that matters are addressed as quickly as possible.

4. PUBLIC BENEFIT STATEMENT

The Trustees confirm that they have complied with their duty in Section 4 (1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. During the year 2021/22, the Trust provided quality care and training to 157 individuals with a learning disability, enabling them to lead brighter lives, develop their independence and new skills and to contribute as far as possible to the wellbeing of the communities to which they belong. The Trust also seeks to break down the barriers put in place by members of the general public, that are faced every day by adults with learning disabilities

The Review of Activities pages 9-13 outlines how Canterbury Oast Trust delivered public benefit for our service users across all operating areas.

5. FINANCIAL PERFORMANCE

The results for the year are set out in the Statement of Financial Activities, from page 20.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

The Trust achieved an overall surplus of £317,550 in the financial year. This included the gain on investments of £149,658 and donations and legacies of £476,808. Within this result, the operating deficit in residential care and supported living was £388,026.

Net movement in funds during the year was £317,550 (2021: £1,257,538) of which £335,804 (2021: - £1,278,189) was the movement on unrestricted funds. There were reserves of £9,857,774 (2021: £9,540,224) which includes £4.2m (2021: £4.3m) represented by tangible fixed assets.

6. REVIEW OF ACTIVITIES

In the first year of the 'Brighter Lives for Good' Strategy for the period 2021-24, COT noted the following actions in pursuit of the 5 strategic goals that shaped our work:

GOAL 1: To provide a safe, varied, responsive and financially sustainable mix of living options for adults with learning disabilities

This aspect was overshadowed by the inadequate CQC rating in the supported living services. A full and detailed action plan was put in place to address the issues identified.

Whilst all of the actions are important, the two most fundamental relate to getting the CAREis IT system in place, to ensure that we have a better record of all the care plan activities together with a new Person Centered Active Support training programme for staff. The CAREis system being rolled out to all services at pace. The training programmes is a longer-term project, targeted at culture change.

As noted previously, on the positive side, we can report that the first Covid-19 cases amongst service users were not experienced until individuals came back to the Trust from their Christmas 2021 break. This is a testament to the work of the staff over the pandemic period, many of whom made considerable personal sacrifices to their own family lives to ensure the maintenance of social bubbles. We cannot thank them enough for what they did.

COT has not welcomed new people to support in the last year, partly in response to the pandemic, but lately in response to the CQC report. Addressing the issues that have been identified is critical and a period of getting our service right and consolidating our offer, is right and necessary. A number of vacancies therefore exist but we will not be seeking to fill them until we are confident we can offer the appropriate quality service.

Also as noted previously, it is important to recognise that the care services we provide run at a significant financial loss. We are committed to funding this from other areas of the charity, including fundraising and investment gains, but with the continuing increase in costs and expectations from local authorities and CQC and the real cost reductions in funding, this becomes ever more difficult.

Goal 2: To provide a varied, responsive and financially sustainable mix of learning opportunities for adults with learning disabilities

The 21-22 financial year has seen a gradual reduction in our reliance on Life Skills virtual activities and an increase in the number of students attending face to face sessions. Due to the pandemic, and not wanting to expose those we support to Covid-19 unnecessarily, we have not seen an increase in student numbers from the previous year, with 73 Canterbury Oast Trust residents and tenants and 84 external students. It is fair to say that the novelty value of remote activities has come to an end for many of the people we support. The need for face-to-face socialising and the meeting of peers and friends is so often a core element of what the life skills services offer. It has been heart-warming to see friends meeting up again through our life skills projects after a long time apart due to the virus.

All being well, we expect to see an increase in Life Skill student numbers up to course capacity in the near future. We continue to get an increasing number of new student referrals to these courses, particularly from students leaving schools to transition into adult day activities.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

We offer a waiting list for new students if we do not have vacancies available for them straight away. We are also looking at bringing our catering life skills offer, through the Rare Breeds Centre restaurant, back into operation shortly, with improved facilities.

Day services and social care settings in the UK must still adhere to sensible control measures, with testing, mask wearing and a responsible approach to social distancing.

The financial sustainability of our day services is key to their long-term future and now that we are past the pandemic period, we will be reviewing how to develop these whilst providing a good service to those we support.

GOAL 3: To raise awareness and acceptance of learning disability through community engagement.

With the easing of social care restrictions, our life skills teams are looking forward to planning some new exciting community events. Working within a Covid-19 safe framework, we will be planning with our students to attend events such as the Wealden Times Midsummer Fair, The Kent County Show and Saltwood Castle to sell or exhibit the plants, woodwork and artwork that the students produce as part of their life skills activities.

Students will be actively involved in every step of the events from preparation through to the planning, set up and interaction with customers. In addition to these events, we are also planning the resumption of trips and visits to local attractions to inspire and provide learning opportunities for our students

In our life skills projects, we often provide a link for our beneficiaries to interact with a wider community. This can be seen from the work we do in our local communities, such as our Poulton Wood rangers taking responsibility for the village planters in Aldington, to our Plants and Produce gardeners being commissioned to supply plants and hanging baskets to Dymchurch Parish Council and Woodchurch in Bloom. Our lively presence on social media takes advantage of these engagement opportunities to spread the word further about the achievements of our students.

The Rare Breeds Centre is the home of most of our life skills projects and we are busy planning a series of new community engagement initiatives there. Much of our student's public interaction was limited during the pandemic but with the easing of social care restrictions we will be reintroducing our catering and retail students back into our customer facing restaurant operations.

The Rare Breeds Centre had a slow start to the year with the pandemic and a semi-closed Easter due to restrictions. In the end, it welcomed some 117,000 visitors, close to pre-pandemic years. Some of the operational changes introduced to manage visitors during the pandemic have been retained, for example the on-line booking system, with significant benefits both to the workings of the Centre and in managing numbers at peak times. Closure of the site was also used as an opportunity to upgrade the site, including ground works, the provision of electricity to Plants & Produce, installation of washing facilities around the site, upgrading of signage and strengthening the network links between COT and the Rare Breeds Centre. We are also about to start a significant improvement to the restaurant area, both for those we support to restart their catering skills work and for our visitors.

The make-over of some of the Farm outbuildings saw the installation of new heat-exchange systems to reduce energy usage and the opening of a new Discovery Room for education purposes and storytelling. This enabled our Santa Christmas event to return to a live event.

The Farm has not only brought those we support back into action, meeting with the public and getting the public back engaged with learning disability, but has brought in a welcome financial contribution after a difficult year in 2020-21.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

Promoting the Work of COT

The Trust's work was promoted through a variety of different channels, printed media (with regular advertising in targeted publications for families), through our websites (www.c-o-t.org.uk and www.rarebreeds.org.uk) and social media (Facebook: @rarebreedscentre, @cotcharity and @PoultonWood; Twitter: @COTcharity, @rarebreedskent and @PoultonWood).

We have grown our COT Facebook followers to over 1.2K. Facebook proved to be a useful tool to support communications with our families and supporters with a good and consistent level of engagement with our posts. An awareness campaign on Facebook during Learning Disability Week in June was well received. The theme was "Art and Creativity" with one particular post being shared multiple times reaching over 20,000 people.

Social media is an increasingly important marketing tool to recruit staff and to promote all aspects of our work. It is expected to expand in importance as time goes by. As well as recruitment, social media has also been used to promote a wider understanding of the Rare Breeds Centre's role as a training academy for adults with a learning disability as well as continuing to develop the charity's brand presence.

Fundraising

Fundraising is a vital activity and we recognise the perennial need to generate additional funds to support our charity in providing the quality of care and support we feel the people we serve, their families and our staff deserve. We aim to maintain a mix of voluntary income streams including: individual one-off and regular giving, donations from grant making trusts and legacy gifts. We benefit greatly from the support of the Charity Shop, Sidcup (Hitrade) volunteers and the Friends of COT and from the community presence we hold through our Rare Breeds Centre.

With competition for fundraising extremely high, it is essential we articulate clearly the positive change we enable for our direct and indirect beneficiaries. In September 2021, we commissioned an external specialist consultant to facilitate a 'Theory of Change' (ToC) workshop with the senior team. This important activity was the first stage towards our plans to implement impact reporting across our charity. A draft ToC document was produced and work continued to refine outcomes and to identify an evaluation framework.

The Trustees confirm that COT's fundraising activity is compliant with the recognised standards of fundraising as set out in the Code of Fundraising Practice, as well as those required under charity law. The Trust participates in the Fundraising Regulator's voluntary regulatory regime and does not employ the services of any third-party professional fundraising organisations. No complaints have been received in relation to COT's fundraising activity. All fundraising activity is planned and monitored by the Fundraising Manager and Chief Executive to ensure that it is not unreasonably intrusive or persistent and that no undue pressure is placed on any individual in relation to donation requests.

The families and friends of our service users continued to be the source of a significant percentage of our unrestricted donations for the financial year. During the year we received a number of extremely generous donations and legacies from family members connected to beneficiaries of the charity. We have 87 dedicated supporters making regular donations and one-off gifts were received from 138 individuals which included anonymous donors. Of the 522 individual donations made, 342 of these were made anonymously, online.

Our Problematic Pop Quiz team continued their fundraising with an on-line version of their quiz hosting a number of successful events with corporate supporters. We continued with a campaign via our Amazon wish list which provided a wide range of items for our life skills training programmes and homes.

We were grateful to the following organisations for their generous support during 2021/22: Friends of COT; Crafting for Carers; Volunteer Riders UK; Civil Service Insurance Charity Fund; The Will Charitable Trust; The Mark Leonard Trust; Fellfoot Charitable Trust; Waitrose Ltd; Province of East Kent Freemasons; Women of Wadhurst; International Wine Challenge; Rye Community Shop; Rotary Club of Sandwich; Crown Products;

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

Silcocks Farm Shop; GD Herbert Charitable Trust; Gilbert Edgar Charitable Trust and The Charity Shop (Hitrade - a charity shop in Sidcup raising funds for COT) supported the Trust with donations totalling £54,540.66 in the year to improve the enjoyment and comfort of our residents and tenants.

Once again, the Friends of COT were unable to undertake any major fundraising activities due to the pandemic but were pleased to be able to provide funding for a number of requests.

They kindly donated funds for a Christmas treat to be spent at the House/Service Manager's discretion to the value of £30.00 per Resident/Tenant. The Friends of COT are looking forward to something nearer to normal in the coming months. Plans are afoot to help Life Skills to take part in various off-site community events to showcase what they do and to help day service users to get experience in the community. Even though all Members of COT are automatically Members of Friends, there is only quite a small number of active participants and they would welcome help from anybody who has the welfare and interests of COT Beneficiaries at heart.

GOAL 4: To continue to recruit and retain a dedicated, qualified and stable workforce

Recruitment has been identified by the trustees as the highest risk to COT for a number of years, with the wider impact on the sector demonstrating the problems. It remains so across many disciplines, but, in particular, on the care side. As noted, one key aspect of recruitment of the new Chief Executive was to consider their views on how we might address this issue.

Staff turnover during the year was 10.5%, significantly lower than the average in the care sector of nearly 35%. Retaining staff is critical and we want to ensure that we have a structure and training & development programme in place that encourages staff to stay. Equally, we recognise the need to support existing staff in their own journeys, noting that the pandemic period has been particularly difficult for many. The board would like to thank all those who have made such efforts to support people at COT, recognising the impact on themselves and their families.

Whilst much professional development has taken place, there remains much to do. Over 1,000 hours of online learning was undertaken by staff during 2021-22. We recognise however, that online training is rarely as effective as face-to-face training, so we are looking to resume this wherever possible.

The Board also recognises that it should embrace new training initiatives that recognise, industry changes in care culture. We are therefore looking to implement a Person Centered Active Support training programme across our care services, over the next two years.

Volunteering

The pandemic had a huge impact on volunteering operations at the Trust, but now we are able to invite people back and to engage with our residents. In the year 2021-22, 70 active volunteers gave around 3,950 hours of work to those we support. Using social media and the Ashford Volunteer Hub, we have developed volunteering roles to broaden our reach, including some at the Rare Breeds Centre, in our administration teams and most excitingly, as a befriender volunteer in one of our higher needs homes. Whilst we would like to see more family members involved, particularly siblings, we are very grateful to those who have engaged and thank them for the time and effort they have given us. It makes a very significant difference to those we support.

GOAL 5 - Ensure COT has the necessary supporting infrastructure to deliver the Strategic Plan in an efficient, affordable and compliant way

Compliance remains a key issue for COT. Our issues are wider than many due to having both Care and the Rare Breeds Centre regulatory requirements to meet. Significant work has been done to improve the public facing facilities at the Rare Breeds Centre, including handwashing stations but also behind the scenes improvements including for example, water run-off.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

There is a continuing improvement programme for our care homes and The Board has taken the decision to revamp the restaurant on the Farm to provide a better working environment, to provide additional life skills opportunities and to help keep the commercial aspects of the site working efficiently. Art at the Farm has been moved from the Oast House, a very attractive building but not ideal in terms of accessibility, to the Falcon's Centre.

It is easy to forget the role of some of our back-room teams. During the year, our finance, estates and HR teams have worked hard to support day to day operations and provide the necessary oversight to manage the organisation effectively. We owe them all a huge vote of thanks.

PLANS FOR THE FUTURE

Working with the new Chief Executive, the Board will review the strategy and direction of the organisation, initially in the years to 2024. The following strategic objectives will guide the work of that review:

GOAL 1 - Provide a responsive, safe, compliant and financially sustainable mix of living options for adults with a learning disability.

- Ensure the supported living services return to at least a Good CQC rating;
- Complete the roll-out of the CAREis IT system: implement the PCAS training programme;
- Reduce the operating deficit on care services;
- Future-proof care accommodation services in line with changing service-user needs and local authority commissioning priorities;
- Integrate the new supported living properties at New Romney into the portfolio; and
- Re-assure those we support, families, commissioners and potential donors on the quality of services we provide.

GOAL 2 - Provide an aspirational, relevant and financially sustainable range of training and development opportunities for adults with a learning disability.

- Reinvigorate our face-to-face life skills programmes and encourage greater external participation;
- Return to direct community engagement and participation;
- Re-establish our Rare Breeds Centre catering life skills offer;
- Raise the profile of COT Life Skills provision as a preventative health care service; and
- Achieve at least financial break-even on all Life Skills programmes

GOAL 3 - Raise awareness and support for learning disability through positive engagement with local communities.

- Raise awareness and support for those with a learning disability through positive engagement between local communities and the Rare Breeds Centre;
- Improve public awareness of the links between COT and the Rare Breeds Centre;
- Position RBC as a first-choice visitor destination for families within a 60-minute drive time radius; and
- Generate at least £200K annual operating surplus from RBC operations (excluding Gift Aid on visitor admissions)

GOAL 4 - Recruit, develop and retain a dedicated, qualified and stable workforce

- Significantly improve the recruitment rate to staff vacancies;
- Encourage staff retention through regular, appropriate and inspiring training, including the roll out of PCAS training;
- Minimise the impact of staff sickness absence; and
- Improve support and succession planning for key management roles

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

GOAL 5 - Ensure COT has the necessary supporting infrastructure to deliver the Strategic Plan in an efficient, affordable and compliant way

- Challenge central administrative overhead for efficiency and effectiveness;
- Complete implementation of the CAREis IT system;
- Ensure all of our buildings and properties are developed and maintained to appropriate standards and ensure all compliance issues are identified and managed;
- Improve compliance monitoring and reporting in all areas;
- Improve stakeholder communications;
- Encourage greater volunteering to assist those we support: at houses, with events and through the Friends teams;
- Increase our annual fundraising contribution; and
- Capture evidence of COT's impact for all direct and indirect beneficiaries

INVESTMENT POLICY

The Memorandum of Association allows the Trustees to make and hold investments using monies not required for immediate use. The Trust has very significant investment in property and has an Investment sub-committee, within the Finance Committee, which is tasked with investing an agreed proportion of the cash deposits to improve investment returns.

The Investment Policy was reviewed during the year and it was agreed that up to £1M of the Trust's cash reserves should continue to be invested with the investment managers CCLA. The value of an initial investment of £750,000 made in 2015 stood at £1,432,113 as at 31st March 2022.

The Charity's assets are invested in line with its objects. The Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Charity's objects, as discussed with CCLA.

The investment objective for the remainder of the Trust's reserves is to ensure they are readily available to meet unanticipated cash flow requirements.

BORROWING AND RESERVES

At 31 March 2022 the charity had total reserves of £9,857,774 (2021: £9,540,224) which included £4.2m (2021: £4.3m) represented by tangible fixed assets, £97,752 (2021: £164,444) designated funds and £1,515,430 restricted funds (2021: £1,533,684). Free reserves totaled £4,030,953 (2021: £3,541,162).

It is the general policy of the Trust to apply its income towards its charitable objectives as much as it reasonably can and hence to avoid accumulating excessive reserves. Where considered appropriate - and being mindful not to overcommit the Charity - borrowings are undertaken to fund elements of significant capital projects.

The policy of the Trustees is to maintain at least the minimum of cash reserves and working capital sufficient to meet known development plans, as well as the day-to-day needs of the Trust, whilst retaining a reserve to provide for the long term support of those it supports and to give security to employees. The Trustees also recognise the risk to income posed by factors outside the organisation's control, such as local authority commissioning decisions and funding; social care policy changes; adverse weather at peak visitor times; competition from other visitor attractions or the outbreak of contagious disease.

Having considered these factors, the Board of Trustees reviewed its Reserves Policy during the year and agreed to maintain a minimum of 4 months' and a target of 6 months of operating costs, at all times. This timeframe reflects the nature of the Trust's business as a social care provider and the requirement to safeguard all service users by helping them secure suitable alternative accommodation in the event that the Charity ceased to operate.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

At the end of 2021/22 the Trust had borrowed £223,071 and had £4,720,002 cash reserves. This represented 11.05 months of operating costs, recognised by Trustees to be in excess of the Reserves Policy target and as discussed further under Going Concern.

RESTRICTED AND UNRESTRICTED FUNDS

Restricted income funds derive from donations, grants and legacies received and are put towards a variety of specific capital projects and charitable activities.

Unrestricted income funds may be designated or freely available for the Trust's general charitable purpose. After setting aside restricted income funds the balance of the Trust's available funds at the balance sheet date are designated as follows:

- To charitable activities which the Trust intends to support over the coming year.
- To capital expenditure that is either contractually committed or is planned for the coming financial year; then
- Assets held for charitable use, up to a maximum of the net book value of those fixed assets at the balance sheet date.

If, after designating unrestricted funds as above, there are funds remaining, these are treated as unrestricted free reserves.

The Trustees do not consider it necessary to retain income in respect of the Trust's designated fund activities. Whilst these funds have been earmarked by the Trustees for particular purposes or uses, they are not committed or restricted legally.

GOING CONCERN

The Trustees have considered whether it is appropriate to prepare the financial statements on the basis that the group and charity is a going concern. The assessment has included the historical impact of the Covid-19 outbreak, the potential impact of re-occurrence and additional specific financial risks arising from sanctions and challenges associated with the recent CQC report and KCC findings.

Covid-19 had a significant impact on Canterbury Oast Trust's operations on a day to day basis, primarily during the previous financial year 2020/21 year, but also with residual implications through the financial year 2021/22, with tiered restrictions to deal with the omicron variant continuing to impact the continuity of daily life. The financial impact of the pandemic was mitigated by careful, prudent control by the Trust, deferring planned expenditure on Repairs and Maintenance, accessing Government grant schemes for Job Retention and Infection Control, and benefits from temporary reductions in the VAT rate. These measures together supported the further accumulation of cash reserves as at 31/03/22, which now provide a base to address the recent challenges raised by CQC and KCC.

The impact of the CQC report as well as the difficulties in recruiting and retaining staff and the wider economic environment, mean that we have not and don't anticipate for the time being, filling vacancies within either our residential or supported living services. This necessitates more aggressive risk scenario planning for Cash Flow projections. There is planned commitment of expenditure on new premises at Old Port Place, scheduled for completion by the time this report is published, at a cost of £835K, which will provide flexibility in our service offering. Subsequent to the year end, we have significantly accelerated expenditure on resourcing systems, recruitment, training and maintenance works to address challenges raised by the regulatory authorities. The current financial projection for the Trust for the 2022/23 fiscal year is a deficit in excess of £500k, with further expenditure being considered.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

In the light of these challenges, the trustees have reviewed the financial statements for the group and charity and have in particular considered its anticipated income, contingencies, reserves and expenditure commitments for a period of twelve months from the date of approval of these financial statements. With regard to the charity the Trustees have reviewed the financial projections, budgets and cash position for the period up to October 2023 and are satisfied that the charity has adequate finances (including forecast cash and investments throughout the period) and reserves to maintain its ability to operate successfully without additional funding.

The charity continues to provide necessary support to the trading subsidiary, COT Trading Limited, following the disruption to operations following the pandemic.

Considering all of these points together, the Trustees do not consider that the residual impacts of the Covid-19 pandemic, nor the sanctions imposed by CQC and KCC, will jeopardise the charity's going concern status.

CAPITAL EXPENDITURE

In pursuit of the Trust's objectives, infrastructure investment continued across all our services in the year 2021-22, with £133,771 expended on capital projects including £61,077 on infrastructure improvements.

PENSIONS

To comply with current legislation COT supports employees' ability to invest in the (defined contribution) arrangements offered by The Peoples' Pension.

The Trustee Board (of COT) does not give employees financial advice but does monitor the performance of the funds offered by The Peoples' Pension.

EVENTS AFTER THE REPORTING DATE

Following the year end, the charity committed to buy two properties with a total purchase price of £835,000. The purchase of these is expected to complete by the end of October 2022.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Canterbury Oast Trust 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 and charity 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 company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on an on-going concern basis unless it is inappropriate to presume the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 (as amended).

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on this charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PROVISION OF INFORMATION TO THE AUDITOR

So far as each of the Trustees is aware at the time this report is approved there is no relevant audit information of which the Trust'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 ensure that the auditor is aware of that information.

AUDITOR

In accordance with the charity's Memorandum and Articles of Association, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the charity will be proposed at the Annual General Meeting on Saturday 15th October 2022.

APPROVAL

This report was approved by the Trustees on ...12/10... 2022 and signed on their behalf by:



Russell Walters, Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANTERBURY OAST TRUST

Opinion

We have audited the financial statements of Canterbury Oast Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANTERBURY OAST TRUST (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, on page 16, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANTERBURY OAST TRUST (CONTINUED)

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014, Care Quality Commission regulations and General Data Protection Regulation. We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 opinions we have formed.

Zoe Longstaff-Tyrrell (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor
Portland
25 High Street
Crawley
West Sussex, RH10 1BG

.....

CANTERBURY OAST TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>					
Donations and legacies	3	384,665	92,143	476,808	432,817
Charitable activities	4	6,146,130	-	6,146,130	5,123,898
Investments	5	887	36	923	2,903
Other income	6	61,003	-	61,003	1,325,849
Total income and endowments		6,592,685	92,179	6,684,864	6,885,467
<u>Expenditure on:</u>					
Raising funds	7	58,355	2,568	60,923	51,600
Charitable activities	8	6,342,943	107,865	6,450,808	5,822,016
Other	10	5,241	-	5,241	5,521
Total expenditure		6,406,539	110,433	6,516,972	5,879,137
 Net gain on investments	 15	 149,658	 -	 149,658	 251,208
Net income/(expenditure) for the year/ Net movement in funds		335,804	(18,254)	317,550	1,257,538
 Fund balances at 1 April		 8,006,540	 1,533,684	 9,540,224	 8,282,686
Fund balances at 31 March		8,342,344	1,515,430	9,857,774	9,540,224

CANTERBURY OAST TRUST

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14	4,213,639		4,300,934	
Investments	15	1,455,213		1,306,555	
		<u>5,668,852</u>		<u>5,607,489</u>	
Current assets					
Stocks	16	63,779		55,934	
Debtors	17	389,463		967,637	
Cash at bank and in hand		4,720,002		3,770,326	
		<u>5,173,244</u>		<u>4,793,897</u>	
Creditors: amounts falling due within one year	18	(797,203)		(643,264)	
Net current assets			4,376,041		4,150,633
Total assets less current liabilities			10,044,893		9,758,122
Creditors: amounts falling due after more than one year	20		(187,119)		(217,898)
Net assets			<u>9,857,774</u>		<u>9,540,224</u>
Income funds					
Restricted funds	24	1,515,430		1,533,684	
<u>Unrestricted funds</u>					
Designated funds	25	97,752		164,444	
General unrestricted funds		8,244,592		7,842,096	
		<u>8,342,344</u>		<u>8,006,540</u>	
		<u>9,857,774</u>		<u>9,540,224</u>	

The financial statements were approved by the Trustees on 12/10/22



Russell Walters, Chairman
Trustee

Company Registration No. 01897198

CANTERBURY OAST TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	28	1,113,312		349,862	
Interest payable	10	(5,241)		(5,521)	
Net cash generated from operating activities		1,108,071		344,341	
Investing activities					
Purchase of tangible fixed assets		(133,771)		(94,347)	
Proceeds on disposal of tangible fixed assets		4,232		910,364	
Receipts from repayment of loans from trading subsidiary		1,000		1,000	
Interest received		923		2,903	
Net cash (used in)/generated from investing activities		(127,616)		819,920	
Financing activities					
Repayment of bank loans		(30,779)		(30,214)	
Net cash used in financing activities		(30,779)		(30,214)	
Net increase in cash and cash equivalents		949,676		1,134,047	
Cash and cash equivalents at beginning of year		3,770,326		2,636,279	
Cash and cash equivalents at end of year		4,720,002		3,770,326	

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Canterbury Oast Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Highlands Farm, Woodchurch, Ashford, Kent, TN26 3RJ.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per voting member of the Trust.

The trusts objectives and aims are disclosed in the Trustees' and Strategic Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention, modified for certain fixed asset investments. The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019 (the FRS 102 Charities SORP 2019).

The trust constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The Trustees have considered whether it is appropriate to prepare the financial statements on the basis that the group and charity is a going concern, including the impact of the ongoing Covid-19 pandemic on that assessment.

The Trustees have reviewed the financial statements for the group and charity and have - in particular - considered its anticipated income (with secure contracts in place for charitable activities with the Local Authority) and expenditure commitments for a period of twelve months from the date of approval of these financial statements. With regard to the charity, the Trustees have reviewed the financial projections, budgets and cash position for the period and are satisfied that the charity has adequate finances (including forecast cash and investments throughout the period) and reserves to maintain its ability to operate successfully without additional funding.

The charity is supporting the trading subsidiary during this period whilst its activities are impacted by the pandemic. The Trustees therefore do not consider that the impact of the Covid 19 pandemic will have a material impact on the charity's going concern status.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.4 Income

Income is recognised when the charity has entitlement to the funds, after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Income received in respect of annual membership to the Rare Breeds Centre is recognised over the period of the membership.

Income tax recoverable in relation to investments income is recognised at the time the investment income is receivable.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs comprise in the main central staff costs, these are allocated between charitable activities and governance costs (central administration) based on actual or estimated time employed by staff in these functions. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2-15% straight line
Fixtures and fittings	15-25% straight line
Motor vehicles	25% straight line

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Freehold land and assets in the course of construction are not depreciated until available for use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The charity has applied the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets which include trade and other debtors, amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being transaction price less amounts settled and less any impairment losses. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.12 Taxation

The Company is a registered charity and as such its income and gains falling within Sections 371 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

For defined contribution schemes the amount charged to net income or expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1.15 Consolidation

The Trust is exempt from the requirements to prepare group accounts by virtue of section 402 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group. Charities SORP allows a subsidiary to be excluded from consolidation if its results are not material to the group. In the opinion of the Trustees the turnover and net assets of COT Trading Limited are not material in the context of these accounts and therefore consolidated accounts have not been prepared, details of this subsidiary are given in note 15.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Consolidation

As detailed in 1.15 the Trustees consider the results of the subsidiary to be immaterial to the group and as such they have not prepared consolidated accounts.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty

Allocation of support costs

As detailed in 1.5 support costs are allocated between charitable activities and governance costs (central administration) based on actual or estimated time employed by staff in these functions.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and gifts (see below)	369,665	92,143	461,808	409,682
Legacies receivable	15,000	-	15,000	20,015
Market value of pro-bono funding	-	-	-	3,120
	<u>384,665</u>	<u>92,143</u>	<u>476,808</u>	<u>432,817</u>
For the year ended 31 March 2021	<u>348,733</u>	<u>84,084</u>		
Donations and gifts				
Grants	125,198	54,541	179,739	38,242
Individual gifts	240,167	20,902	261,069	335,293
Charitable foundations	3,800	13,500	17,300	17,350
Corporate donors	500	3,200	3,700	18,797
	<u>369,665</u>	<u>92,143</u>	<u>461,808</u>	<u>409,682</u>

4 Charitable activities

	Care and life skills £	Social enterprise groups £	Unrestricted Total 2022 £	Total 2021 £
Income by charitable activities	<u>4,991,130</u>	<u>1,155,000</u>	<u>6,146,130</u>	<u>5,123,898</u>

Social enterprise groups comprise the Rare Breeds Centre farm, restaurant and marketing sectors.

In the prior year £25,000 was included within social enterprises income from Ashford Borough Council in the form of a grant in respect of the impact of COVID-19. There are no unfulfilled conditions or other contingencies attached to the grant.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5 Investments

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Interest receivable	887	36	923	2,903
For the year ended 31 March 2021	<u>1,065</u>	<u>1,838</u>		

6 Other income

	2022	2021
	£	£
Net gain on disposal of tangible fixed assets	1,116	830,449
Grants received	59,887	495,400
	<u>61,003</u>	<u>1,325,849</u>

Grants received represent amounts received in respect of contributions towards staff salary costs under the coronavirus job retention scheme. There are no unfulfilled conditions or other contingencies attached to the grant.

7 Raising funds

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Fundraising and publicity				
Advertising	7,563	2,568	10,131	11,536
Staff costs	50,792	-	50,792	40,064
	<u>58,355</u>	<u>2,568</u>	<u>60,923</u>	<u>51,600</u>
For the year ended 31 March 2021	<u>49,429</u>	<u>2,171</u>		

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities

	Care and life skills £	Social enterprise groups £	Total 2022 £	Total 2021 £
Staff costs	3,456,093	597,380	4,053,473	3,707,499
Depreciation and impairment	125,303	80,296	205,599	200,785
Purchases	175,689	232,831	408,520	256,895
Utility and telephone costs	148,298	23,298	171,596	179,265
Vehicle costs	53,855	8,111	61,966	52,018
Insurance	91,316	22,558	113,874	105,340
Repairs and maintenance	254,140	89,931	344,071	295,661
Bank charges	-	44,784	44,784	16,865
Advertising	-	24,745	24,745	11,977
Miscellaneous	1,753	13,693	15,446	17,620
Postage and stationery	7,267	6,249	13,516	10,842
	<u>4,313,714</u>	<u>1,143,876</u>	<u>5,457,590</u>	<u>4,854,767</u>
Share of support costs (see note 9)	821,023	110,137	931,160	903,044
Share of governance costs (see note 9)	54,719	7,339	62,058	64,205
	<u>5,189,456</u>	<u>1,261,352</u>	<u>6,450,808</u>	<u>5,822,016</u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities (Continued)

	Care and life skills	Social enterprise groups	Total 2022	Total 2021
	£	£	£	£
Analysis by fund				
Unrestricted funds	5,107,760	1,235,183	6,342,943	
Restricted funds	81,696	26,169	107,865	
	<u>5,189,456</u>	<u>1,261,352</u>	<u>6,450,808</u>	
For the year ended 31 March 2021				
Unrestricted funds	4,728,962	988,652		5,717,614
Restricted funds	61,638	42,764		104,402
	<u>4,790,600</u>	<u>1,031,416</u>		<u>5,822,016</u>

9 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Staff costs	724,438	54,528	778,966	795,194
Depreciation	12,351	-	12,351	10,799
Other costs	102,303	601	102,904	85,217
Professional	46,984	3,536	50,520	32,793
Telephone	20,815	1,567	22,382	18,052
Postage and stationery	18,151	1,366	19,517	20,767
Bank charges	6,118	460	6,578	4,427
	<u>931,160</u>	<u>62,058</u>	<u>993,218</u>	<u>967,249</u>

All support and governance costs are attributable to charitable activities.

The governance costs have been allocated in proportion to the direct costs incurred in respect of each activity.

10 Other expenditure

	Total 2022	Unrestricted Total 2021
	£	£
Bank interest paid	<u>5,241</u>	<u>5,521</u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Net movement in funds	2022 £	2021 £
Net movement in funds is stated after charging/(crediting)		
Government grants	(59,887)	(495,400)
Audit of the financial statements of the company	18,500	17,250
Fees payable to the company's auditor for non-audit services	8,750	8,150
Depreciation of owned tangible fixed assets	217,950	211,584
Profit on disposal of tangible fixed assets	(1,116)	(830,449)
Operating lease charges	-	1,247

12 Employees

Number of employees

The average monthly number employees during the year was:

	2022 Number	2021 Number
Support and resident services	137	143
Administration	15	16
Commercial, marketing and appeals	45	52
	197	211

Employment costs

	2022 £	2021 £
Wages and salaries	3,972,611	3,873,944
Social security costs	317,093	305,523
Other pension costs	80,990	81,403
	4,370,694	4,260,870
Redundancy payments made or committed	18,675	-

The number of employees whose annual remuneration, excluding employee pension, was £60,000 or more were:

	2022 Number	2021 Number
£70,001 - £80,000	1	1

The Trust considers the Board of Trustees and the Chief Executive as their key management personnel. The total employment benefits including employer pension and national insurance contributions of the key management personnel was £90,435 (2021: £86,586).

The charity operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the charity in an independently administered fund. The contributions payable by the charity and charged to the statement of income and retained earnings in the year amounted to £80,990 (2021: £81,403).

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2021: nil).

During the year 1 (2021: nil) trustee received reimbursement of expenses amounting to £46 (2021: £nil).

14 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2021	5,643,158	806,329	291,240	6,740,727
Additions	41,072	61,077	31,622	133,771
Disposals	-	(18,376)	(42,501)	(60,877)
At 31 March 2022	5,684,230	849,030	280,361	6,813,621
Depreciation and impairment				
At 1 April 2021	1,626,932	573,690	239,171	2,439,793
Depreciation charged in the year	112,957	74,906	30,087	217,950
Eliminated in respect of disposals	-	(15,260)	(42,501)	(57,761)
At 31 March 2022	1,739,889	633,336	226,757	2,599,982
Carrying amount				
At 31 March 2022	3,944,341	215,694	53,604	4,213,639
At 31 March 2021	4,016,226	232,639	52,069	4,300,934

Included in land and buildings is freehold land at cost of £100,000 (2021: £100,000) which is not depreciated.

Land and buildings pre-dating 1993 are carried at the lower of cost and open market value based on a professional valuation obtained on 13 July 1993 by Edward Symons, Chartered Surveyors. Subsequent additions are valued at cost. Freehold property primarily consists of properties from which the charitable activities of the Trust are undertaken, some of these properties are especially adapted for providing care services or are unusual in nature (Rare Breeds Centre) and the market value of these properties is not readily available. The insurance cost of rebuilding all the properties is estimated at £21.8m (2021: £21.5m). In the opinion of the Trustees the market value of the freehold property stated in these accounts is in excess of book value but much less than the insurance rebuild cost.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Fixed asset investments

	Unlisted investments £	Other investments £	Total £
Cost or valuation			
At 1 April 2021	1,282,455	24,100	1,306,555
Unrealised gains	149,658	-	149,658
At 31 March 2022	1,432,113	24,100	1,456,213
Impairment			
At 1 April 2021	-	-	-
Repayments	-	1,000	1,000
At 31 March 2022	-	1,000	1,000
Carrying amount			
At 31 March 2022	1,432,113	23,100	1,455,213
At 31 March 2021	1,282,455	24,100	1,306,555

	2022 £	2021 £
Other investments comprise:		
Investments in subsidiaries	100	100
Loans to subsidiaries	23,000	24,000
	23,100	24,100

The charity holds 100 shares of £1 each in its wholly owned trading subsidiary company COT Trading Limited which is incorporated in the United Kingdom. The registered office of COT Trading Limited is Highlands Farm, Woodchurch, Ashford, Kent, TN26 3RJ. These shares are the only shares allotted, called up and fully paid. The activities comprise running the retail operations of the Rare Breed Centre. The results are not consolidated per accounting policy 1.15.

16 Stocks	2022 £	2021 £
Goods for resale	63,779	55,934

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	189,662	764,233
Amounts due from fellow group undertakings	18,985	22,316
Other debtors	94,001	11,405
Prepayments and accrued income	86,815	169,683
	<u>389,463</u>	<u>967,637</u>

18 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	21	35,952	35,952
Trade creditors		292,715	62,094
Other taxation and social security		89,624	83,706
Other creditors		40,883	36,122
Accruals and deferred income		338,029	425,390
		<u>797,203</u>	<u>643,264</u>

Included in other creditors are amounts totalling £17,376 (2021: £15,859) in respect of outstanding pension contributions.

19 Deferred income

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income at 1 April	49,772	47,306
Income received requiring deferment	94,559	49,772
Release of income during the year	(49,772)	(47,306)
	<u>94,559</u>	<u>49,772</u>

Deferred income represents membership and ticket sales income received for forthcoming events.

20 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	21	<u>187,119</u>	<u>217,898</u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

21 Borrowings

	2022 £	2021 £
Bank loans	223,071	253,850
Payable within one year	35,952	35,952
Payable after one year	187,119	217,898
Amounts included above which fall due after five years:		
Payable by instalments	79,263	110,042

The bank loans are repayable in equal instalments and are scheduled to be repaid within 7 years of the balance sheet date. The loans are subject to an interest rate of 1.75% to 2% over base rate.

The National Westminster Bank plc. holds a fixed and floating charge dated 4 June 1993 over all the company's assets, together with legal mortgages over the Trusts freehold properties known as Homelands, Highlands Farm, Harrington Cottage, Mariners and Tearooms, 1, 2 & 3 Warren Mews and 14 Ellis Drive.

The National Westminster Bank plc. holds a fixed charge dated 31 March 2014 over the charity's freehold property known as Old School House.

The Secretary of State for Health. holds a fixed charge dated 1 February 2010 over the charity's freehold property known as Beaverlodge.

22 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value	1,432,113	1,282,455

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

23 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	3,041,108	1,172,531	4,213,639
Investments	1,455,213	-	1,455,213
Net current assets	4,033,142	342,899	4,376,041
Long term liabilities	(187,119)	-	(187,119)
	<u>8,342,344</u>	<u>1,515,430</u>	<u>9,857,774</u>
 Previous year			
	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	3,083,059	1,217,875	4,300,934
Investments	1,306,555	-	1,306,555
Net current assets	3,834,824	315,809	4,150,633
Long term liabilities	(217,898)	-	(217,898)
	<u>8,006,540</u>	<u>1,533,684</u>	<u>9,540,224</u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

24 Restricted funds

Movement on restricted funds is as follows:

	Balance at 1 April 2021	Movement in funds		Transfers	Balance at 31 March 2022
	£	Income	Expenditure	£	£
Aldington	61,092	18,884	(9,773)	-	70,203
Catering	5,844	-	-	-	5,844
Craft room	3,259	100	(1,361)	-	1,998
Farm	41,063	1,200	(5,490)	(3,500)	33,273
Friends of COT	25,644	7,297	(4,986)	-	27,955
Fundraising	16,209	2,823	(2,568)	-	16,464
Horticulture	10,990	1,141	(1,410)	-	10,721
Life skills	41,166	5,787	(170)	-	46,783
Poulton Wood	25,737	1,175	(7,551)	(4,559)	14,802
Rye	15,753	1,428	(2,831)	-	14,350
Salaries	23,081	12,000	(14,270)	-	20,811
Woodchurch	24,305	38,200	(1,797)	-	60,708
Other restricted funds	21,666	2,144	(4,828)	-	18,982
Restricted funds - fixed assets	1,217,875	-	(53,398)	8,059	1,172,536
	<u>1,533,684</u>	<u>92,179</u>	<u>(110,433)</u>	<u>-</u>	<u>1,515,430</u>

The transfer in the year represents fixed assets purchased during the year from restricted income transferred to a general restricted assets fund.

Aldington	For the benefit of residents at Aldington and Beaver Lodge, Ashford
Catering	For the provision of catering equipment
Craft room	To provide for craft equipment, materials and craft room maintenance
Farm	For the provision of farm equipment and its up keep
Friends of COT	To provide residents amenities and residents holidays
Fundraising	For general fundraising purposes
Horticulture	For the provision of horticultural equipment and its upkeep
Life skills	To assist with the provision of training and occupation
Poulton Wood	For the development of woodland conservation initiatives at Poulton Wood
Rye	For the benefit of the residents at Rye
Salaries	For the payment of specific salaries and associated staff costs
Woodchurch	For the benefit of the residents at Woodchurch
Other restricted funds	Miscellaneous small funds, use of which is restricted to specific objects.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 Restricted funds (Continued)

Restricted funds - fixed assets

The net book value of assets purchased with restricted funds represents the historic cost less depreciation to date of fixed assets purchased from restricted funds. Expenditure comprises depreciation less the cost of assets purchased.

Previous year

	Balance at 1 April 2020 £	Movement in funds		Transfers £	Balance at 31 March 2021 £
		Income £	Expenditure £		
Aldington	59,694	3,248	(1,850)	-	61,092
Catering	6,702	-	(858)	-	5,844
Craft room	3,259	-	-	-	3,259
Farm	36,322	27,340	(21,599)	(1,000)	41,063
Friends of COT	25,755	3,399	(3,510)	-	25,644
Fundraising	11,930	6,450	(2,171)	-	16,209
Horticulture	6,019	11,101	(2,918)	(3,212)	10,990
Life skills	41,236	-	(70)	-	41,166
Poulton Wood	14,153	13,007	(1,423)	-	25,737
Rye	14,704	1,437	(388)	-	15,753
Salaries	24,396	10,719	(12,034)	-	23,081
Woodchurch	21,759	4,873	(2,327)	-	24,305
Other restricted funds	20,490	4,348	(3,172)	-	21,666
Restricted funds - fixed assets	1,267,916	-	(54,253)	4,212	1,217,875
	<u>1,554,335</u>	<u>85,922</u>	<u>(106,573)</u>	<u>-</u>	<u>1,533,684</u>

The transfer in the prior year represents fixed assets purchased during the year from restricted income transferred to a general restricted assets fund.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

25 Designated and Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021	Movement in funds		Balance at 31 March 2022
	£	Income	Expenditure/ gain on investment	£
The Rare Breeds Centre development fund	164,444	-	(66,692)	97,752
Unrestricted reserves	7,842,096	6,592,685	(6,190,189)	8,244,592
	<u>8,006,540</u>	<u>6,592,685</u>	<u>(6,256,881)</u>	<u>8,342,344</u>

The Trustees have set aside funds from the unrestricted general fund into a designated fund called "The Rare Breeds Centre development fund". In the current year, £66,692 (2021: £150,556) was spent from The Rare Breeds Centre Development fund. It is anticipated that these funds will continue to be used for further development of The Rare Breeds Centre over the coming year.

Previous year	Balance at 1 April 2020	Movement in funds		Balance at 31 March 2021
	£	Income	Expenditure/ gain on investment	£
The Rare Breeds Centre development fund	315,000	-	(150,556)	164,444
Unrestricted reserves	6,413,351	7,066,343	(5,637,598)	7,842,096
	<u>6,728,351</u>	<u>7,066,343</u>	<u>(5,788,154)</u>	<u>8,006,540</u>

26 Related party transactions

The following transactions took place between the charity and its subsidiary COT Trading Limited:

	2022 £	2021 £
Management charge	1,813	1,744
Interest charged on loan	840	876
Payments made on behalf of COT Trading Limited	-	18,474

There are no other trading activities between the entities during the year. At the year end £19,985 (2021: £23,316) was owed from COT Trading Limited and is included in note 17. Included within investments is £23,100 (2021: £24,100) which is due from COT Trading Limited.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

26 Related party transactions (Continued)

COT Trading Limited (incorporated in England and Wales) is a wholly owned trading subsidiary which gifts all its profits to the Trust by way of Gift Aid. COT Trading Limited operates the shop at the Rare Breeds Centre and the Falcon Conference Centre and all other significant commercial trading operations carried on by the Trust.

For the year ended 31 March 2022 COT Trading Limited had a turnover of £74,296 (2021: £21,960) and made a net loss of £3,449 (2021: £23,804) and made a distribution of £nil (2021: £nil). The net liabilities of COT Trading Limited as at 31 March 2022 were £30,171 (2021: £26,722). The company has an unsecured loan of £23,000 (2021: £24,000), repayable within 10 years, from the Trust to provide it with working capital. Interest is charged on the loan at the rate of 3.5% (2021: 3.5%) per annum.

27 Events after the reporting date

Following the year end, the charity committed to buy two properties with a total purchase price of £835,000. The purchase of these is expected to complete by the end of October 2022.

28 Cash generated from operations	2022 £	2021 £
Surplus for the year	317,550	1,257,538
Adjustments for:		
Investment income recognised in income & expenditure	(923)	(2,903)
Interest payable	5,241	5,521
Gain on disposal of tangible fixed assets	(1,116)	(830,449)
Unrestricted gain on investments	(149,658)	(251,208)
Depreciation of tangible fixed assets	217,950	211,584
Movements in working capital:		
(Increase)/decrease in stocks	(7,845)	6,325
Decrease/(increase) in debtors	578,174	(123,916)
Increase in creditors	153,939	77,370
Cash generated from operations	1,113,312	349,862