Canterbury Oast Trust
(A company limited by guarantee)

Registered Charity No. 291662

TRUSTEES' AND DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Company Registration No. 01897198 (England & Wales)

Canterbury Oast Trust
Contents

	Page
Legal and Administrative Information	1
Trustees' and Strategic Report	2-8
Independent Auditor's Report	9
Statement of Financial Activities	10
Balance Sheet	11
Statement of Changes in Funds	12
Cash Flow Statement	13
Notes to the financial statements	14-32

Canterbury Oast Trust

Legal and Administrative Information

Trustees	Celia J Hadfield, Chairman Russell Walters, Vice Chairman Robin L Apps Martin J Bieri Elizabeth Emson Peter Ergis Andrew Paris Richard N J Lynch-White (resigned 10 October 2015) Trevor Pearce (appointed 10 October 2015) Peter Pearson-Wood Robert Perkins Christopher Showell
Company Secretary	Peter Ergis
Chief Executive Officer	Joanne Creighton
Senior Managers	Fiona Dodge, Head of Care Simon Robinson, Head of Finance & Commerce Jerry Kenward, Head of Property & Infrastructure
Company Number	01897198
Registered Charity Number	291662
Registered office and business address	Highlands Farm Woodchurch Kent TN26 3 RJ
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Bankers	National Westminster Bank plc. 20 High Street Ashford Kent TN24 8SH

Trustees' Report for the year ending 31 March 2016
The Trustees (who are also Directors of the charity 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 2016. The trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities". The report and statements also comply with the Companies Act 2006 as Canterbury Oast Trust is also a company limited by guarantee.

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

The principal object of the Trust continues to be the provision of homes, support and development, training, occupation and long term care for people with learning disabilities.

Organisational Structure, communications 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. To ensure continuity of knowledge, existing Trustees at the date of the 2013 AGM may serve for one further term of three years, if they have already served for over nine years. The Trustees who served during this financial year are listed on page 1.

The Trustees delegate the day-to-day responsibility for the care of residents and tenants and the running of the Trust's various activities to the Chief Executive who is required to report to the Trustees. The Trust considers the Board of Trustees and the Chief Executive officer to be their key management personnel.

The Board is responsible for ensuring arrangements are in place for the recruitment, supervision, support, appraisal and remuneration of the Chief Executive. The services of a professional recruitment agency were used to fill the current post and their advice sought with regard to market conditions and the resultant salary offered.

The Board met six times in the financial year and also held an off-site meeting in October 2015 to look at the strategic direction of the organisation. Issues were discussed in more detail at three Committees:

- Finance (including commercial activities) - met four times during the year, with two separate meetings of the Investment Sub-Committee.
- Care - met six times during the year. A small Care Core Working Group was also established to look specifically at the detail of our future strategic direction within Care over the next 5-10 years and to report to the Care Committee, and then the Board, on its findings and recommendations.
- HR – met three times during the year.

There were no meetings of the Governance Committee during the year.

An ad-hoc Nominations Committee met three times during this period to review Trustee recruitment and succession planning.

The Board has elected Lead Trustees for Finance, Care, HR, The Rare Breeds Centre and Fundraising & Volunteers. The Lead Trustees for Finance, Care and HR are also Chairmen of the relevant committees.

There has been frequent discussion at Board meetings on our changing care strategy as we try to stay ahead of local authority thinking and proposed changes. This has resulted in extensive reviews in particular of the suitability of our property portfolio, our life skills and The Rare Breeds Centre operation.

After a number of Board meetings there have been presentations to the Board by a senior manager to provide wider knowledge and understanding of operational areas and to establish stronger relationships between Trustees and managers.

The CEO and Chairman held four meetings with family members during the year to hear their views first-hand and provide an update on finances, activities and proposals for the future.

Staff were invited to two Trust-wide communication meetings on current and future developments. The meetings gave individuals the chance to engage actively in debate and discussion on topics of interest from across the organisation. In addition, Staff Representative meetings were held at 6 weekly intervals, where specific issues were considered and addressed.

A job evaluation exercise involved staff at all levels as we sought to rationalise our job grading and pay structure and prepare for the changes in the National Living Wage. This proved a more time-consuming task than was originally anticipated but stands us in good stead for the future and positions us more strongly to resolve some of the difficulties we have experienced with staff recruitment in previous years.

Departures of individuals in key roles, including the Head of HR and one of our Quality & Compliance Managers led to staff restructures in our Care and Human Resources Departments. We now have two functional HR Managers reporting to the Chief Executive – one with a focus on Performance & Development and the other with specific responsibility for Recruitment & Induction. Quality and Compliance in our Care services is now overseen by one manager, who will be supported by a new Registered Manager for our growing domiciliary services.

Strategic Report

Risk Management
Work continues to maintain and update the Trust's Risk Register, taking into account the changing environment in which we operate and the increasing external risks in our sector. The Risk Register is reviewed at every Finance Committee meeting and annually at Board meetings. It has a vital role to play in reducing our risk profile. Major risks to which the Trust is exposed are highlighted (in particular those relating to the operations and finances of the Trust) and Trustees are satisfied that systems are in place to mitigate those risks. The principal risk to the charity remains, as last year, local authorities reviewing their procurement processes for care and day services, which is leading to growing delays in filling some vacancies.

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. The charitable purpose of the Trust is as stated above and the Trustees ensure that this purpose is carried out to the public benefit by providing quality care and support for adults with learning disabilities.

Trustee Election, Induction & Training
Robin Apps, Lead Finance Trustee, will retire from the Board at the 2016 AGM after serving 18 years as a Trustee. His contribution over the years has been significant and we will miss his experience and wise counsel. The Board expresses its appreciation to him. Celia Hadfield, Chairman, also leaves the Board at the 2016 AGM having served the maximum term of 9 years permitted under the Articles of Association. Her work to continually review and improve governance arrangements has been invaluable, as has her support for the new Chief Executive. Service users and their families have been grateful for her accessibility and the genuine interest she has shown in the lives of the people we support.

The Nominations Committee is managing the process of Trustee recruitment to fill the vacancies arising with the skills needed to ensure the right mix of abilities and experience on the Board for the future.

Trustees are elected or re-elected by Full Members at the AGM. Induction for Trustees is arranged and co-ordinated on an individual basis. The Trustees spend time with the Chairman of Trustees, Chief Executive and key members of the senior management team. New Trustees also visit all the Trust's services to meet service users and staff. Charity Commission information and booklets are included within the induction pack provided for each new Trustee. All Trustees are DBS checked.

Review of Activities

During the past year we have suffered the sad losses of both a long-standing ex- Trustee and three service users, all of which have been difficult for families and staff alike. In recognition of COT's 30th Anniversary, a memorial tree was planted at Highlands Farm to commemorate all those who have played a part in the Trust's development, from its early beginnings in 1985 to the present day.

Particular highlights for the year have included public recognition from a range of sources, including the Young Arts Award from the Tenterden Decorative and Fine Arts Society and the award of the Paul Harris Fellowship to our Fundraising Manager by the Tenterden Rotary Club – a rare achievement for a non-Rotarian. Our Plants and Produce team won 1st, 2nd and 3rd place at the Kent County Show's "Hanging Basket and Decorative Plant" competition and a group of Kent Ambassadors chose to join us for a volunteering day again this year.

Our commitment to the professional development of our staff continued, with 119 courses provided to 741 delegates.

Care Services

The future direction of adult social care became clearer during the year, as local authorities continue to struggle with cuts to core funding. In response to the growing emphasis on independent living, we reviewed our accommodation offer, and projects to expand existing CSS places at Warren Mews, Beaver Lodge and Farm View were initiated.

COT welcomed 4 new service users into our residential homes during the year. In addition, 5 internal moves were undertaken in order to more readily accommodate changing needs; both for those requiring enhanced levels of care and those seeking to gain greater independence.

The Care Quality Commission inspected 8 homes between April 2015 and March 2016, all of which were deemed 'Good' overall. The inspection reports highlighted particular strengths in person centred care and the quality of staff/service user relationships.

Quality Assurance Questionnaire feedback from families remained positive, including: "We continue to have complete confidence in the staff. We are often impressed by the fact that they are prepared to 'go the extra mile'. They have got to know [ ] really well in just a matter of months and we can see that [ ] is happy, well and growing in confidence all the time."

The Head of Care maintained an active role in sector developments through her role as Board Member for KiCA (Kent Integrated Care Association) and involvement in KCC's Accommodation Solutions consultations for the strategic commissioning of living options for adults with learning disabilities. COT was also represented at a provider engagement event to explore the future of day services.

Life Skills

We delivered over 7,000 Life Skills sessions during 2015/16 and ended the financial year with 77 internal and 81 external students. A City & Guilds award ceremony in March saw the presentation of 117 certificates across a wide variety of disciplines including Health & Safety, Hospitality, Catering, Food Safety, Horticulture, Pottery, Agriculture, Conservation, Information Technology and Woodworking. As day services are coming under ever closer scrutiny by local authorities for evidence of progression and value for money, the broad range served as a timely reminder of the aspirational and highly inclusive nature of our Life Skills programmes.

Thanks to ongoing funding from the Henry Smith Charity, we continued to benefit from the services of an in-house Work and Employment Officer. Successes during the year included the ongoing paid employment for 2 of our service users and the development of a work placement scheme with a local care home, offering work experience to service users in a range of caring and catering roles.

In an effort to simplify the criminal records checking system for adults with learning disabilities, COT approached the Government Minister for Preventing Abuse and Exploitation, via the local MP. This approach

was positively received and the Trust is now in negotiation with senior staff from the Disclosure and Barring Service to explore possible relaxation of the rules on identification documents required from learning disabled adults. It is hoped this will further improve the employability of service users (both within COT and elsewhere) who wish to progress to paid work.

Rare Breeds Centre ('RBC')
The financial year saw the RBC achieve record numbers of visitors, despite poor weather during some key visitation periods and the disruptive effects of Operation Stack in July and August. The performance was consistent across the whole season, with the highest Halloween and Christmas attendance since our records began and strong visitor numbers in January and February – traditionally much quieter months. The year ended, after an early Easter, with attendance up 22% on the previous year at 113,971.

We successfully increased the capacity for school visits during the year from 200 to 250 pupils per day and – coupled with the development of new educational talks linked to the national curriculum – our visits from education groups increased by 24% on the previous year from 85 schools to 105.

Visitor satisfaction levels continued to be high, and examples of positive feedback include:
"Have been several times - always loved it, brilliant range of activities to engage children" and, *"Grandad in charge of 2 and 4 year old grandaughters was looking for an entertaining day out and this was a real gem. The petting area kept them entertained for ages and the staff engaged very well with the young children. Despite a piglet trying to eat his trousers, grandad was fascinated too! The falconry was very well presented, the pig racing hilarious and the cafe (visited 3 times) was very good. There are plenty of play areas inside and out but we didn't have the time to utilise them due to the lure of the small animals. The tractor ride was also a hit. A good day out."*

Work began during the year on a strategic development plan for the RBC to position the attraction strongly for growing visitor numbers in the future and also further improve connectivity with the Trust's overarching care strategy. This work was facilitated on a pro-bono basis by a volunteer from the Worshipful Company of Management Consultants and will form the basis of some exciting new developments for our visitor attraction in 2016/17.

Promoting the work of COT
We promoted our work through a variety of different channels, including printed media (with regular advertising in targeted publications for families) and also through our websites – 'www.c-o-t.org.uk' and 'www.rarebreeds.org.uk'. We were active on social media, providing regular updates on our work via Facebook and Twitter '@cotcharity' and '@rarebreedskent'. Events also proved a valuable promotional tool during the year and the Car Rally at Highlands Farm, Bluebell Cream Tea and Open Day at Poulton Wood, Life Skills Open Day and COT Recruitment Fair all offered opportunities to reach out to new audiences and celebrate our services.

The magazine InTouch - a highly valued vehicle for communicating with our families and supporters - was revamped during the year to freshen the design and improve accessibility for those who prefer electronic publications. We now publish bi-monthly in both hard copy and on-line formats and the improvements have been favourably received.

Estates & IT Support
Work by our in-house Estates team to maintain and improve our infrastructure included bathroom refits (including specialist provision for our complex needs residents), improvements to water supplies, the installation of air-source heating, power supply upgrades, replacement kitchens and utility rooms, garden decking replacements and new carpets in various properties across the portfolio.

At Poulton Wood a new workshop was constructed and Highlands Farm benefited from a pig-pen rebuild and the resurfacing of the access road to our cow shed with tarmac (the main location of our major events) to improve the appearance and safety for our visitors.

A Data Protection Act audit was undertaken to gauge the robustness of our existing systems and identify any areas for further improvement. Outcomes were encouragingly positive and the suggested actions are now informing our future plans.
IT down-time remained low and communications for our care staff were improved through further allocation of laptops to all teams.

A Painter and Decorator Apprentice was recruited during the year and is making a very welcome contribution to the work of the Estates Team.

Fundraising & Volunteer Support
A new Fundraising Officer joined the team in 2015 in order to oversee our data management and further improve our systems for donor care and recognition. This has proved a very positive development, with connectivity improved between the Fundraising and Finance Departments, improved donor care and communication and a deeper understanding of our current and potential sources of funding.

The Trust continued to benefit from the generosity of loyal supporters during the year, with unrestricted donations totalling £185,913 and £229,476 pledged for restricted projects. HiTrade – the Sidcup-based charity shop supporting the work of COT – moved ever closer to the milestone of £1M in donations since they were established in 1991, with their purchase of a brand new minibus for our Life Skills service and the refurbishment of our staff and student mess hut on the Farm. Support from Charitable Foundations included funding for three salaries and an element of unrestricted funding.

Among the many examples of generous individual support, ten dedicated people were sponsored to take part in our 3 Cities 3 Capitals fundraiser, British 10K Run, the London Marathon, London to Surrey 100, London to Paris Cycle Ride and the New York Marathon. In addition, COT Patron Graham Clarke donated his £5K prize for winning the Kent Invicta Award to our 'Art at the Farm' Life Skill service. Community group support included donations from Rotary Clubs, Masonic charities, Members' grants and many pubs, clubs and local community groups.

Families of our residents and tenants remained a highly-valued source of voluntary funds through regular and one-off gifts; and legacy bequests – which always make such a significant impact on our charity – equated to over 60% of total voluntary income in the year. Increasingly, we are receiving gifts from individuals who do not have a direct link with the charity themselves, but have been convinced of the value of our work by friends or relatives of our service users. This is a positive indicator of our growing reach and impact.

A new Volunteer Co-ordinator was recruited during 2015, with a remit to improve the strategic recruitment and placement of volunteers and – in particular – to explore the potential to add further value to our care services. At the end of year we had 83 registered volunteers and had hosted 10 corporate volunteering days. Our corporate supporters included Waitrose (Ashford), Pfizer, Laing O'Rourke, DWP, KCC, Barclays, NATS and William Reed Business Media. The Trust benefited from their considerable and gratefully received efforts in setting up and taking down Halloween decorations, painting around the site, wrapping Christmas gifts, setting up Santa's Grotto, clearing and tidying gardens, cleaning the catering trailer, horticulture work and general help and labour on the Farm.

Our Strategic Objectives 2015/16
We have taken the opportunity to review our strategy based on the known direction of local authority plans. At our annual strategy meeting the Board, Chief Executive and senior management team discussed future direction and identified the following areas of continued focus:

- To provide a varied and financially sustainable mix of living options for adults with learning disabilities
- To provide a varied and financially sustainable mix of learning opportunities for adults with learning disabilities
- To raise awareness and acceptance of learning disability through community engagement
- To recruit and retain a dedicated, qualified and stable workforce

Detailed reviews of the current and future needs for our care services, life skills and the Rare Breeds Centre are ongoing and outcomes are guiding our planning.

Finance
The results for the year are set out in the statement of financial activities on page 11.

The Trust achieved a budget surplus in the financial year.

Net movement in funds during the year was £328,745 (*2015:£275,542 as restated*) of which £306,020 (*2015: £231,192 as restated*) was the movement on unrestricted funds. Total reserves as at 31 March 2016 were £5,583,073 (*2015: £5,254,328 as restated*) of which £4,705,186 (*2015: £4,399,166 as restated)* represented unrestricted funds.

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 during the year established an Investment Sub-Committee within the Finance Committee to invest an agreed proportion of the cash deposits to improve investment returns.

An Investment Policy was approved and it was agreed that up to £1m of the Trust's cash reserves should be invested with an appropriate Investment Manager. Following a tender process, £500,000 of monies not required for immediate use was invested with CCLA in May 2015, followed by a further £250,000 in June 2015. Due to a fall in the market value this investment was valued at £737,249 at the balance sheet date.

Reserves Policy
The policy of the Trustees is to maintain the minimum of free reserves and working capital sufficient to meet the day to day needs of the Trust whilst retaining a reserve to provide security for the residents and employees of the Trust. The Board approved Reserves Policy states that a reserve equivalent to three months' operating costs should be maintained. At year end, the figure stood at the equivalent 3.82 months' operating costs.

Pensions
The Trustees are aware of a potential liability in respect of its historic employees' pension arrangements with The Pensions Trust Growth Plan (Series 3 only).

The Series 3 Plan was initially considered to be a defined contribution scheme but a change in the law means that it is now regarded as a defined benefit scheme. The rules of the Plan mean that employers may be required to pay additional contributions to ensure that the Plan has sufficient assets to meet its past service liabilities. Based upon the most recent estimate, as at 30 September 2015, Canterbury Oast Trust (COT) would be required to make additional contributions of £47,644 if a debt arises under Section 75 of the Pensions Act 1995. However the pension fund administrators have advised that no actual liability will crystallise to COT so long as the charity continues to employ an active member of the scheme. In accordance with Accounting Standard FRS 102 S28.11, the scheme has been accounted for as a defined contribution scheme and no provision has been made for the potential additional liability.

From 5 February 2014, COT ceased to support new membership of the Pensions Trust arrangements and a new defined contribution pension scheme, invested with The People's Pension, was made available to employees. This also meets COT's obligations in respect of auto-enrolment legislation.

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 including the strategic 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 charitable 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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the 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 auditors
So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the Trust's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

In accordance with charities Memorandum and Articles of Association, a resolution proposing that RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) be reappointed as auditor of the charity will be proposed at the Annual General Meeting on 8th October 2016.

This report was approved by the Trustees on 30/9/16..... and signed on their behalf by:

Celia Hadfield

Celia Hadfield
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANTERBURY OAST TRUST

We have audited the financial statements of Canterbury Oast Trust for the year ended 31 March 2016 on pages 10 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor
As explained more fully in the Statement of Trustees' responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
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 2016 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records, 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.

N. L. Sladden

NICHOLAS SLADDEN FCA DChA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date. 10 October 2016

Canterbury Oast Trust

Statement of Financial Activity
for the year ended 31 March 2016

	Notes	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 *as restated* £
Income from:					
Donations and legacies	2	234,818	369,556	604,374	595,267
Charitable activities	3	-	5,580,367	5,580,367	5,257,952
Other trading activities	4	-	949	949	13,232
Investments	5	1,033	7,321	8,354	12,538
Total		235,851	5,958,193	6,194,044	5,878,989
Expenditure on:					
Raising funds	6	1,440	53,665	55,105	72,889
Charitable activities	7	211,686	5,572,926	5,784,612	5,516,289
Other	8	-	12,831	12,831	14,269
Total		213,126	5,639,422	5,852,548	5,603,447
Net loss on investments		-	(12,751)	(12,751)	-
Net income		22,725	306,020	328,745	275,542
Gross transfers between funds		-	-	-	-
Net movement in funds		22,725	306,020	328,745	275,542
Reconciliation of funds:					
Total funds at 1 April 2015 *as restated*		*855,162*	*4,399,166*	*5,254,328*	*4,978,786*
Total funds at 31 March 2016		877,887	4,705,186	5,583,073	5,254,328

All activities relate to continuing operations.

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

Canterbury Oast Trust

Balance Sheet
As at 31 March 2016

Company Registration No. 01897198

	Notes	2016 £	2015 *as restated* £
Fixed assets			
Tangible assets	12	3,284,648	3,357,166
Investments	13	766,349	30,100
		4,050,997	3,387,266
Current assets			
Stocks		83,482	75,331
Debtors	14	530,893	446,507
Cash at bank and in hand		1,899,225	2,334,428
		2,513,600	2,856,266
Creditors: amounts falling due within one year	15	(462,684)	(403,081)
Net current assets		2,050,916	2,453,185
Total assets less current liabilities		6,101,913	5,840,451
Creditors: amounts falling due after more than one year	16	(518,840)	(586,123)
Net assets		5,583,073	5,254,328
Charity Funds			
Restricted funds	19	877,887	855,162
Unrestricted funds	19	4,705,186	4,399,166
		5,583,073	5,254,328

The financial statements on pages 10 to 32 were approved and authorised for issue by the Board on ....30../..9../..16..... and signed on its behalf by:

Celia Hadfield

Celia Hadfield
Chairman

Canterbury Oast Trust

Statement of changes in funds

As at 31 March 2016

Company Registration No. 01897198

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Balance at 1 April 2014	**810,812**	**4,167,974**	**4,978,786**
Year ended 31 March 2015:			
Net income in year	47,851	227,691	275,542
Transfer between reserves	(3,501)	3,501	-
Balance at 31 March 2015	**855,162**	**4,399,166**	**5,254,328**
Year ended 31 March 2016:			
Net income in year	22,725	306,020	328,745
Balance at 31 March 2016	877,887	4,705,186	5,583,073

Canterbury Oast Trust

Statement of cash flows

For the year ended 31 March 2016

	Notes	2016 £	2016 £	2015 as restated £	2015 as restated £
Cash flows from operating activities:					
Net cash provided by operating activities	21		465,803		543,278
Interest payable	8		(12,831)		(14,269)
			452,972		529,009
Cash flows from investing activities:					
Redemption of current asset investments		1,000		251,000	
Proceeds from sale of fixed assets		8,497		12,348	
Purchase of property, plant and equipment		(79,723)		(143,909)	
Purchase of fixed asset investments		(750,000)		-	
Interest receivable		8,354		12,538	
Net cash (used in) / from investing activities			(811,872)		131,977
Cash used in financing activities:					
Repayment of borrowings			(69,446)		(68,708)
Repayments of obligations under finance lease			(6,857)		-
Net (decrease) / increase in cash and cash equivalents			(435,203)		592,278
Cash and cash equivalents brought forward			2,334,428		1,742,150
Cash and cash equivalents carried forward			1,899,225		2,334,428

1 Accounting policies

Legal status
The charity is a company limited by guarantee and incorporated in England and Wales. 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 Directors and Strategic Report.

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. 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 on 16 July 2014 (the FRS 102 Charities SORP 2015).

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

Restatement of comparatives
The charity has adopted FRS 102 and the applicable Charities SORP for the first time in this set of financial statements. In doing so, the comparative figures have been re-analysed and restated throughout, as explained in more detail in note 26.

Going concern
The trustees have reviewed the financial forecasts for the charity and have in particular considered its anticipated income and expenditure commitments for a period of twelve months from the date of approval of these financial statements. The trustees believe that the charity has adequate resources to continue in operational existence for at least the next twelve months from the date of approval of the financial statements and to meet all of its liabilities during that period as they fall due. For that reason, the trustees continue to adopt the going concern basis in preparing the financial statements.

Consolidation
The Trust is exempt from the requirements to prepare group accounts by virtue of section 405(2) 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 23.

1 **Accounting policies** ***(continued)***

Fund accounting
General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not 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 funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

Income
All income is included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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

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 **Accounting policies** ***(continued)***

Tangible fixed assets and depreciation
All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less estimated residual value, over their expected useful lives on the following basis:

Freehold buildings	2-15% straight line
Motor vehicles	25% straight line
Furniture and fixtures	15-25% straight line
Computer and telephone equipment	15-25% straight line

Investments
Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Stocks and work in progress
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.

Financial instruments
The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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.

Finance leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases
Operating leases costs are recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Pensions
The Trustees are aware of a potential liability in respect of its employee pension arrangements.
Some employees have contributed to The Pensions Trust (Series 3) which is a multi–employer scheme that has now been determined as a defined benefit scheme. Based upon the most recent actuarial estimate, as at 30 September 2015, Canterbury Oast Trust (COT) would be required to

make additional contributions of £47,644 if a Section 75 Debt arises and the scheme liabilities were bought out with an insurance company. However the pension fund administrators have advised that no actual liability will crystallise to the charity so long as the charity continues to employ an active member of the scheme. Therefore in accordance with FRS 102 S28.11 the scheme has been accounted for as a defined contribution scheme and no provision has been made for the potential additional liability.

For defined contribution schemes the amount charged to profit or loss 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.

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.

Accounting estimates and areas of judgment
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.

2 Donations and legacies

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Grants	81,806	-	81,806	76,458
Individual gifts	101,398	215,815	317,213	270,958
Charitable foundations	50,228	6,050	56,278	70,805
Corporate donors	1,386	3,796	5,182	19,688
Market value of pro-bono funding	-	12,000	12,000	-
Legacies	-	91,940	91,940	140,000
	234,818	329,601	564,419	577,909
COT Trading Limited	-	39,955	39,955	17,358
	234,818	369,556	604,374	595,267

Of the total donations and legacies for the year ended 31 March 2015 £230,156 is attributable to restricted funds and £365,111 to unrestricted funds.

3 Income by charitable activities

	Total funds 2016 £	Total funds 2015 £
Care and life skills	4,643,734	4,501,263
Social enterprise groups	936,633	756,689
	5,580,367	5,257,952

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

The total income above is attributable to unrestricted funds in both the current and preceding year.

4 Other trading activities

	Total funds 2016 £	Total funds 2015 £
Fundraising event income	949	13,232

The total income above is attributable to unrestricted funds in both the current and previous year.

5 Investment income

	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	8,354	12,538

Of the total bank interest receivable for the year ended 31 March 2015 £908 is attributable to restricted funds and £11,630 to unrestricted funds.

6 Raising funds

	Total funds 2016 £	Total funds 2015 £
Advertising and appeal	14,471	30,435
Salaries and temporary staff	39,975	41,040
Pension costs	226	243
Depreciation	433	1,171
	55,105	72,889

Of the total raising funds for the year ended 31 March 2015 £9,269 is attributable to restricted funds and £63,620 to unrestricted funds.

7 Charitable expenditure

	Staff and pension costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Care and life skills	3,507,603	131,175	1,042,718	4,681,496	4,479,894
Social enterprise groups	527,010	47,179	456,770	1,030,959	979,942
Governance	-	-	72,157	72,157	56,453
Charitable activities	4,034,613	178,354	1,571,645	5,784,612	5,516,289

Of the total charitable expenditure for the year ended 31 March 2015 £173,944 is attributable to restricted funds and £5,342,345 to unrestricted funds.

	Total funds 2016 £	Total funds 2015 £
Care and life skills		
Staff costs	3,465,048	3,324,983
Pension costs	42,555	43,793
Purchases	442,408	388,231
Utility and telephone costs	144,244	150,461
Vehicle costs	91,493	96,707
Insurance	61,992	59,850
Repairs and maintenance	279,066	269,880
Training	29,368	29,547
Profit on sale of fixed assets	(5,853)	(8,301)
Depreciation	131,175	124,743
	4,681,496	4,479,894
Governance	63,576	49,776
	4,745,072	4,529,670

7 **Charitable expenditure** ***(continued)***

	Total funds 2016 £	Total funds 2015 £
Support costs (Included in care and life skills costs)		
Staff costs	554,858	557,120
Pension costs	15,228	15,866
Depreciation	3,248	3,833
Governance	63,576	49,776
Other	202,442	161,187
	839,352	787,782

	Total funds 2016 £	Total funds 2015 £ *as restated*
Social enterprise groups		
Staff costs	522,200	519,091
Pension costs	4,811	5,287
Purchases	244,905	138,141
Utility and telephone costs	26,135	26,582
Vehicle costs	15,808	12,555
Repairs and maintenance	90,448	145,663
Insurance	14,809	13,732
Advertising	53,823	46,987
Miscellaneous	11,679	24,413
Profit on sale of fixed assets	(785)	(932)
Depreciation	47,126	48,423
	1,030,959	979,942
Governance	8,528	6,677
	1,039,487	986,619

	Total funds 2016 £	Total funds 2015 £
Support costs (Included in social enterprise group costs)		
Staff costs	74,623	73,672
Pension costs	2,043	2,128
Depreciation	436	514
Governance	8,528	6,677
Other	26,967	21,623
	112,597	104,614

7 Charitable expenditure *(continued)*

	Total funds 2016 £	Total funds 2015 £
Governance costs		
Professional	7,072	4,535
Telephone	833	415
Postage and stationery	2,188	2,001
Bank charges	1,344	1,266
Market value of probono funding	12,000	-
Staff costs	48,024	46,882
Pension costs	1,300	1,354
	72,761	56,453

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

8 Other expenditure

	Total funds 2016 £	Total funds 2015 £
Bank interest paid	12,831	14,269

The total interest above is attributable to unrestricted funds in both the current and previous year.

9 Net income

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets		
-owned by the charity	174,661	174,337
-held on finance lease	4,126	-
Profit on disposal of tangible fixed assets	(6,758)	(9,233)
Operational lease payments	1,248	-

10 Auditor's remuneration

RSM UK Audit LLP and its associates:	**2016 £**	2015 £
Audit Services	9,200	8,500
Non audit services:		
VAT advice	-	1,300
Accountancy services	3,500	1,700
	12,700	11,500

11 Staff costs

Staff costs were as follows:

	2016	2015 *as restated*
	£	£
Wages and salaries	3,643,207	3,581,205
Social security	254,516	261,586
Pension costs	48,892	50,677
	3,945,615	3,893,468

The average monthly number of employees during the year was as follows:

	2016	2015
	No.	No.
Support and resident services	139	140
Administration	12	12
Commercial, marketing and appeals	29	27
	180	179

One employee received remuneration exceeding £60,000 in the year (2015 – nil).

The Trust considers the Board of Trustees and the Chief Executive as their key management personnel. The total employments benefits including employer contribution of the key management personnel was £72,867 (2015 - £26,791).

During the year, no trustees received any remuneration or benefits in kind (2015: £Nil).
During the year 8 (2015: 7) trustees received reimbursement of travel expenses amounting to £3,930 (2015: £6,632).

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 £48,892 (2015: £50,677).

12 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 April 2015	4,266,430	235,935	575,352	5,077,717
Additions	13,600	57,935	36,473	108,008
Disposals	-	(45,975)	(20,212)	(66,187)
At 31 March 2016	4,280,030	247,895	591,613	5,119,538
Depreciation				
At 1 April 2015	1,114,270	157,155	449,126	1,720,551
Charge for the year	93,358	43,465	41,964	178,787
Disposals	-	(45,129)	(19,319)	(64,448)
At 31 March 2016	1,207,628	155,491	471,771	1,834,890
Net book value				
At 31 March 2016	3,072,402	92,404	119,842	3,284,648
At 31 March 2015	3,152,160	78,780	126,226	3,357,166

Included in land and buildings is freehold land at cost of £100,000 (2015:£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 £13.51m (2015: £13m). 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.

The net carrying value of motor vehicles includes assets held under finance leases. The depreciation charge in respect of such assets amounted to £4,126 (2015 - £nil) for the year. The net book value of these assets are £24,159 (2015 - £nil).

13 Fixed asset investments

	2016 £	2015 £
Investment in subsidiary	100	100
Loan to subsidiary	29,000	30,000
COIF Charities Investment Fund	737,249	-
	766,349	30,100

14 Debtors

	2016 £	2015 £
Trade debtors	258,986	245,615
Amounts owed by group undertaking	40,673	18,358
Other debtors	106,823	54,686
Prepayments and accrued income	124,411	127,848
	530,893	446,507

15 Creditors: amounts falling due within one year

	2016 £	2015 *as restated* £
Bank loans and overdrafts	67,186	69,347
Obligations under finance leases	21,428	-
Trade creditors	89,387	118,865
Taxation and social security	79,771	69,555
Other creditors	29,085	3,350
Accruals and deferred income	175,827	141,964
	462,684	403,081

Deferred income

	2016 £	2015 £
Deferred income at 1 April	26,963	6,304
Income received requiring deferment	39,400	26,963
Release of income during the year	(26,963)	(6,304)
Deferred income as at 31 March	39,400	26,963

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

16 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans	518,840	586,123

Included within the above are amounts falling due as follows:

Between one and two years	59,015	67,186
Between two and five years	177,046	177,044
Over five years	282,779	341,893
	518,840	586,123

16 Creditors: amounts falling due after more than one year *(continued)*

Creditors include amounts not wholly repayable within 5 years as follows:	2016 £	2015 £
Repayable by instalments	282,779	341,893

The bank loans are repayable in equal instalments and are scheduled to be repaid within 2 to 16 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, Watchbell House, 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 National Westminster Bank plc. holds a fixed and floating charge held over assets other than land.

17 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	406,482	318,659
Equity instruments measured at cost less impairment	767,349	30,100
Cash	1,899,225	2,334,428
Carrying amount of financial liabilities		
Measured at amortised cost	254,898	237,216

18 Finance lease obligations

Finance lease payments represent rentals payable by the charity for motor vehicles. No restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Future minimum lease payments due under finance leases:	2016 £	2015 £
Less than one year	21,428	-

19 Statement of funds

	Brought Forward *as restated* £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
Designated funds					
General development fund	500,000	-	-	-	500,000
Farm improvements fund	42,000	-	-	-	42,000
	542,000	-	-	-	542,000
General funds					
General funds	3,857,166	5,958,193	(5,652,173)	-	4,163,186
Total unrestricted funds	4,399,166	5,958,193	(5,652,173)	-	4,705,186

The Trustees have set aside funds totalling £500,000 from the unrestricted general fund into a designated fund called the "General development fund". It is intended that these funds will be used for the further development and expansion of services for adults with learning disabilities.

The Trustees have set aside the sum of £42,000 which is the expected cost to be incurred in enhancing the facilities at the Rare Breeds Centre.

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
Restricted funds					
Aldington	38,495	61,594	(11,705)	-	88,384
Catering	2,660	8,947	(4,652)	-	6,955
Craft room	9,042	8,369	(9,637)	-	7,774
Farm	33,708	55,942	(5,090)	(15,300)	69,260
Friends of COT	24,637	6,131	(10,284)	-	20,484
Fundraising	12,284	75	(1,440)	-	10,919
Horticulture	9,414	5,383	(6,712)	-	8,085
Life skills	18,602	19,551	(4,183)	(25,000)	8,970
Poulton Wood	11,309	5,328	(13,663)	(2,285)	689
Rye	11,524	9,872	(7,229)	(1,238)	12,929
Salaries	36,476	39,620	(55,511)	-	20,585
Woodchurch	38,618	7,967	(14,979)	(2,933)	28,673
Other restricted funds	36,442	7,072	(14,637)	(292)	28,585
Restricted funds – fixed assets	571,951	-	(53,404)	47,048	565,595
	855,162	235,851	(213,126)	-	877,887
Total of funds *as restated*	5,254,328	6,194,044	(5,865,299)	-	5,583,073

Fixed assets purchased with from restricted income are transferred from the fund they are purchased for to a general restricted fixed assets fund.

19 Statement of funds *(continued)*

Objects of restricted funds:

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

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.

	Brought Forward *as restated*	Incoming resources	Resources expended	Carried forward
	£	£	£	£
Designated funds	542,000	-	-	542,000
General funds	3,857,166	5,958,193	(5,652,173)	4,163,186
	4,399,166	5,958,193	(5,652,173)	4,705,186
Restricted funds	855,162	235,851	(213,126)	877,887
	5,254,328	6,194,044	(5,865,299)	5,583,073

20 Analysis of net assets between funds

	Restricted funds 2016	Unrestricted funds 2016	Total funds 2016	Total funds 2015 *as restated*
	£	£	£	£
Tangible fixed assets	565,595	2,719,053	3,284,648	3,357,166
Fixed asset investments	-	766,349	766,349	30,100
Current assets	312,292	2,201,308	2,513,600	2,856,266
Creditors due within one year	-	(462,686)	(462,686)	(403,081)
Creditors due after more than one year	-	(518,838)	(518,838)	(586,123)
	877,887	4,705,186	5,583,073	5,254,328

21 Net cash flow from operations

	2016	2015 as restated
	£	£
Net movement in funds	328,745	275,542
Depreciation of tangible fixed assets	178,787	174,337
Profit on sale of assets	(6,758)	(9,233)
Market value gain on investments	12,751	-
Interest receivable	(8,354)	(12,538)
Interest payable	12,831	14,269
Increase in stocks	(8,151)	(8,604)
(Increase)/decrease in debtors	(62,071)	65,516
Increase in amounts owed by group undertakings	(22,315)	(10,072)
Increase in creditors	40,338	54,061
	465,803	543,278

22 Operating lease commitments

Operating lease payments represent rental payables by the company for certain equipment. Leases are negotiated for an average term of 5 years.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016
	£
Amounts due:	
Within one year	1,248
Between one and five years	4,990
	6,238

23 COT Trading Limited

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 2016 COT Trading Limited had a turnover of £181,383 (2015: £149,256) and made a net profit of £39,955 (2015: £17,574) and made a distribution of £39,955 (2015: £17,574). The net assets of COT Trading Limited as at 31 March 2016 were £100 (2015: £100). The company has an unsecured loan of £30,000 (2015: £31,000), 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% (2015: 3.5%) per annum.

24 Related party transactions

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

	2016	2015
	£	£
Management charge	4,705	4,692
Interest charged on loan	1,050	1,085
Gift of profit to charity	39,955	17,574

There are no other trading activities between the entities during the year.

25 Pension obligations

This note (with minor tailoring for Canterbury Oast Trust), was prepared by The Pensions Trust.

Certain current employees of Canterbury Oast Trust participate in The Pensions Trust's Growth Plan (Series 3 only) (the "Plan"). Some past employees also have accrued benefits in the Plan. The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

From October 2001 contributions to the Plan were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity. Originally considered a Defined Contribution scheme, a change in the law in 2014 means that Series 3 is now regarded as a Defined Benefit Scheme. The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

As a Defined Benefit scheme, the Trustee has to commission an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. For this purpose the Plan includes Series 1 and Series 2 assets and liabilities. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

As at the balance sheet date there was one active members of the Plan employed by Canterbury Oast Trust. Canterbury Oast Trust continues to allow membership of the Plan. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period

under Accounting Standard FRS102 represents the employer contribution payable.

25 Pension obligations *(continued)*

The latest valuation results available, as at 30 September 2011, were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre-retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Plan Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 31 March 2015. The market value of the Plan's assets at that date was £872 million and the Plan's Technical Provisions (i.e. past service liabilities) was £1,136.3 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £264.3 million, equivalent to a funding level of 76.7%. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall. No update has been received from the Scheme Actuary for the year ended 31 March 2016.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4.The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

25 Pension obligations *(continued)*

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, each employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase, contained in the Pensions Act 2011, the calculation basis that applies to the Growth Plan was amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 31 March 2016 the total deficit calculated on the buy-out basis was £206.9m.

The Trustees are aware of a potential liability in respect of its employee pension arrangements. The employer has contributed to The Pensions Trust (Series 3) which is a multi–employer scheme that has now been determined as a defined benefit scheme. Based upon the most recent actuarial estimate, as at 30 September 2015, Canterbury Oast Trust (COT) would be required to make additional contributions of £47,644 if a Section 75 Debt arises and the scheme liabilities were bought out with an insurance company. However the pension fund administrators have advised that no actual liability will crystallise to the charity so long as the charity continues to employ an active member of the scheme. Therefore in accordance with FRS 102 the scheme has been accounted for as a defined contribution scheme and no provision has been made for the potential additional liability.

26 Transition to FRS102

The charity has adopted FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 on 16 July 2014 for the first time in this set of financial statements. The date of transition to this new financial reporting framework was 1 April 2014, and the financial statements for the year ended 31 March 2015 were the last prepared under the previous financial reporting framework.

Reconciliation of funds:	**Notes**	**1 April 2014 £**	**31 March 2015 £**
Funds as reported under previous UK GAAP		4,978,786	5,262,254
Adjustments arising from transition to FRS 102: Holiday pay accrual	a	-	(7,926)
Funds reported under FRS 102		4,978,786	5,254,328

26 Transition to FRS102 *(continued)*

Reconciliation of surplus	Notes	31 March 2015 £
Surplus as reported under previous UK GAAP		283,468
Adjustments arising from transition to FRS 102:		
Holiday pay accrual	a	(7,926)
Funds reported under FRS 102		275,542

Notes to reconciliations on adoption of FRS 102:

a) **Holiday pay accrual**

Under previous UK GAAP the employer liability relating to holiday pay unpaid at the financial year end was not recognised in the financial statements.

Under FRS 102 this liability is recognised as assets or liabilities, with a total liability of £7,926 being recognised at 31 March 2015 and a corresponding adjustment to reserves.