

CANTERBURY OAST TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

CANTERBURY OAST TRUST

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CANTERBURY OAST TRUST TRUSTEES' REPORT FOR THE YEAR ENDING 31 MARCH 2020

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2020

Trustees:

Russell Walters	Chair
Trevor Pearce	Vice Chair and Lead for Care
Chris Showell	Lead for Finance and Human Resources
Peter Pearson-Wood	Lead for Rare Breeds Centre
Robert Perkins	(retired 14th February 2020)
Martin Lovegrove	(retired 22nd May 2020)
Kenneth Hesketh	
Michaela Tweedley	
Jane Abbott	
Ruairidh Roberts	(appointed 12th October 2019)
Karen Blackiston	(appointed 12th October 2019)

Company registered number
1897198

Charity registered number
291662

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

Secretary
Peter Ergis (retired 29th November 2019)
Karen Blackiston (from 29th November 2019)

Chief Executive
Joanne Creighton

Senior Managers
Fiona Dodge Head of Care
Susan Langford-Smith Financial Controller
Ian Bolingbroke Head of Estates (from 4th November 2019)
Joanne Booth Head of Human Resources
Tina Morris 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 2020

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 2020.

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.

2.1 Governance

The Board met six times in the financial year and also held an away-day meeting in October 2019 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 4 times during the year;
- Care - met 5 times during the year;
- Human Resources - met 4 times during the year.

An ad-hoc Nominations Committee met once during this period, to review and address Trustee recruitment and succession planning.

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. The Trustees spend time with the Chair of Trustees, the Chief Executive and key members of the senior management team, as well as visiting the Trust's services to meet service users and staff.

In managing the Trustee recruitment process, the Nominations Committee placed particular emphasis on those with current experience of tourism, digital marketing and finance in order to complement the existing Board profile. To this end, two new Trustees were voted on to the Board at the AGM in October 2019, bringing invaluable skills in those areas.

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In order to best meet the future needs of the charity, the focus for Trustee recruitment in the coming year will include those with local authority or care commissioning experience or those currently active in adult social care at a senior level. Fundraising will be another key priority, in particular individuals with a grant-giving background to support COT's work with Charitable Trusts and Foundations.

The Trustees would also be keen to welcome interest from legal and commercial professionals in order to support the maximisation of financial returns from the RBC asset. With the current Chair due to come to the end of his tenure in 2022, expertise in charity chairmanship will also be sought in the coming year, to provide sufficient time for effective succession planning.

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.

2.4 Communications

The CEO and selected members of the Board of Trustees held 2 Family Feedback Meetings during the financial year. These sessions are an opportunity for family members to share their experiences of COT in an informal way and identify any areas of common concern. Attendees were updated on news from around the Trust, with details on financial performance and strategic developments. There was also the opportunity to ask questions and raise any issues of general interest. Those unable to attend were invited to join via conference call and full notes were produced and circulated after the events. Additional sessions scheduled for April 2020 were cancelled due to social distancing rules during the Coronavirus pandemic, but regular update communications were held between the CEO and the family and friends of service users via email, letter and video messaging. In the coming year, the management team will be exploring ways in which video conferencing – such a useful tool during the Coronavirus lockdown – can be utilised to further improve stakeholder engagement at these events.

Following discussion at the Family Feedback Meeting, arrangements were made for a specialist external consultant to host a session for interested parties on the Mental Capacity Act. This workshop proved to be a useful opportunity for parents to explore some of the challenges and tensions in ensuring peace of mind for families whilst also guaranteeing that service users have the independence and freedoms to which they are entitled.

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In September, a representative from the Alzheimer's Society was invited to run some information sessions for staff, volunteers and service user families about the 'Dementia Friends' initiative. Over the course of the day, 50 individuals had the opportunity to learn more about the practical ways to support those suffering from the condition, both in a professional and personal capacity.

Trustees made regular, scheduled visits to meet service users and staff in order to gain a clear insight into the day-to-day work of the charity. Feedback from these visits featured as a standing agenda item for all Board Meetings. Work is currently underway by the Care Committee to review the format and structure of the visits to increase the focus on delivery of the Brighter Lives Strategic Plan.

All staff members and volunteers were invited to a Trust-wide communication meeting on current and future developments during the year. In addition, Staff Representative Meetings were held at 6-weekly intervals, where issues of general concern were considered and addressed.

3. RISK MANAGEMENT

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

- a) The external operating environment
- b) Operational delivery (including stakeholder and public confidence in service provision)
- c) Financial management
- d) Compliance
- e) Governance.

The Risk Register is reviewed at Finance and Care Committee meetings and annually by the Board. Major risks to which the Trust is exposed are highlighted and Trustees check that systems are in place to mitigate them as far as possible. Principal risks facing COT include:

a) The external operating environment

The inadequacy of state-funded care – an area of significant risk for COT for some years – is now an even greater threat, given the devastating impact of Covid-19 on state finances. It is anticipated that the dual challenges of rising National Living Wage levels and below-inflation contract increases will continue into the foreseeable future.

During 2019, COT took part in a Kent County Council retender exercise for new residential care and supported living contracts. Although the bids were successful in achieving the required quality criteria, there was limited scope to negotiate pricing and the financial outcomes were disappointing. Uplifts, resulting from this for residential care will only be available in the first instance for service users recruited after April 2020. Uplifts for older contracts were only 3.84%. With the NLW having increased by 6.2% at the start of the Financial Year, it is clear that the gap between the contract price and the real cost of providing residential services will continue to widen. Providers bidding for the new contract were advised that, *"demand for residential care is reducing and with the Council's current aim to work with the market to develop and make available a range of alternative options, including an increase in Supported Living, reliance on care home services will further reduce."*

COT has been working to mitigate this risk since 2015, via the 'Brighter Lives Strategy'. The ratio of residential care to supported living has now changed from 3:1 (75% versus 25%) to 3:2 (60% versus 40%), following the closure of Harrington Cottage in 2018 and Watchbell House in August 2019. During the strategic period, the residential service at Farm View has been deregistered and additional supported living places have been built at Warren Mews, Beaver Lodge and Highlands Farm.

During the year, the CEO was elected onto the Board of Kent Integrated Care Alliance (KiCA). This role – whilst providing an opportunity for COT to support the sharing of information and good practice among the organisation's 200 members – brings the benefit of regular liaison with the local authority at senior level and greater insight into sector developments as they happen. This will further assist COT in anticipating and navigating changes in the wider environment.

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b) Operational delivery

In all care environments, quality service delivery relies heavily on the recruitment and retention of a motivated, competent and stable workforce and the existence of effective, efficient working processes. We are very fortunate to have this and offer our enormous thanks to staff for their hard work and contributions over the last 18 months. With the impact of Covid-19, they have gone beyond what could be reasonably expected to ensure the safety, security and well-being of our service users.

The ongoing disparity between National Living Wage levels and contract prices is an ever-present risk in this area for COT. With salary levels challenged in this way, the Trust recognises the importance of career development and welfare support for staff, both internally via our central Training & Development Department and externally via our 'Healthshield' assistance scheme for all employees.

Systems development is a key priority for COT in order to further improve operational delivery. A systems integration review is currently underway, with the aim of streamlining systems, reducing duplication and achieving cost efficiencies into the longer-term.

With regards to maintaining confidence in our service provision, we seek regular and constructive engagement with our key stakeholders, including service users, their families, funders, donors, the local press, and the local community.

c) Financial management

The financial risk to the charity has increased in the past year, with the Covid-19 pandemic predicted to deplete reserves by a figure in excess of £800,000. This, in addition to the operating gap between contract fees and care expenditure (both for accommodation and day services), is an area of obvious concern. In order to address this challenge, the Trust will maintain its focus on the following areas into the coming year:

- the ongoing search for operating efficiencies wherever they may exist;
- the articulation of a strong case for support to maximise fundraising income;
- improved financial contribution from the Rare Breeds Centre;
- maximum investment gains.

To ensure that the Trust has the correct infrastructure to support these activities, a restructure of the Finance Department was undertaken in 2019. A new Assistant Financial Controller role was introduced in order to focus on supporting services to improve their processes in relation to staff rotas and purchasing and also to speed up financial reporting from around the Trust. This will strengthen decision making and provide crucial additional capacity for the Financial Controller to tackle longer-term strategy development.

d) Compliance

Among the greatest risks to COT are those associated with safeguarding and the management of health & safety. Both areas are regularly reviewed at Trustee level, via the individual Committees and as standing items on all Board Meeting agendas. There are robust processes for the management of any incidents and every 'accident, incident and near miss is reported to the Board. The CEO provides an annual presentation of accident statistics, trends and priorities for any corrective actions that may be required. There were no serious incidents that required a report to the Charity Commission during the year.

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Following the award of a grant from a Charitable Trust, COT appointed a Safety and Compliance Officer in July 2019 on a 12-month fixed-term contract. The individual focused on reviewing and updating policies and undertaking a compliance audit of all the Trust's services. Particular emphasis was placed on changing the health & safety culture, away from centralised monitoring and control to more local ownership and empowerment for service managers. This will pave the way for moving to external consultancy support for health & safety management in the coming year. The first project is the review and revision of fire risk assessments for all the Trust's properties.

The Rare Breeds Centre (RBC) is regulated by a wide variety of agencies including the Environment Agency, Advertising Standards Authority, Food Standards Agency, DEFRA and APHA (Animal & Plant Health Agency). In order to mitigate the risk of lack of compliance in any area, management of the visitor attraction was restructured in 2018 to ensure enhanced capacity for the monitoring of regulatory activity. During the year, the RBC received a Zoo License inspection, a routine inspection by the Environment Agency and voluntary external audits of site-wide health & safety and catering provision. First Aid competency was enhanced, with key staff achieving accreditation in Frec 3 (First Response Emergency Care).

e) Governance

The Board of Trustees recognises that effective governance is the cornerstone to ensuring that the charity continues to be effective, accountable and sustainable.

To assess the effectiveness of COT's current arrangements against best practice within the charity sector an external governance review was completed during the year. In particular, the reviewers (BHPR Associates) were instructed to focus on:

- the effectiveness of the Board in meeting the charity's purposes and agreed outcomes;
- the Board's visibility and linkage with senior and other staff;
- the Board's relationships with Members and other relevant external parties;
- the Board's structure;
- Governance documentation (including the Memorandum and Articles of Association);
- Trustee recruitment, training, skills and terms of office.

The review took the form of an independent desk assessment of key documents, a tour of the Trust's operations and interviews with a range of COT stakeholders. It was judged, on the basis of the evidence gathered, that the Board was currently operating effectively, with sound governance arrangements in place, and that the Charity was performing well overall. The board has an action plan to address the improvements identified and, although progress has been impeded by the Coronavirus lockdown, achievement of the plan objectives remain a key focus for 2020/21. A copy of the final report has been shared with all Members and staff.

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, the Trust provided quality care and training to 170 individuals with a learning disability, enabling them to lead brighter lives and to contribute as far as possible to the wellbeing of the communities to which they belong.

Through the support provided to our beneficiaries throughout 2019/20, we sought to break down the barriers that are faced every day by adults with learning disability: barriers to independence; barriers to learning and barriers to acceptance.

The Review of Activities (pages 7-12) outlines how Canterbury Oast Trust delivered public benefit for our service users across all operating areas.

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5. FINANCIAL PERFORMANCE

The results for the year are set out in the Statement of Financial Activities, from page 19.

The Trust achieved an overall surplus of £6,366 in the financial year. The loss on unrestricted funds of £7,045 includes legacies received of £150,827 which helped to mitigate the higher than budget operating loss of £157,569.

Net movement in funds during the year was £6,366 (2019: £879,380) of which -£7,045 (2019: £416,818) was the movement on unrestricted funds. There were reserves of £8,282,686 (2019: £8,276,320) which includes £4.5m (2019: £4.4m) represented by fixed assets.

6. REVIEW OF ACTIVITIES

COT is currently coming to the end of the 'Brighter Lives' Strategy for the period 2015 -2021. The Strategy sets out 4 key goals that shape our work to ensure that we are well-placed to deliver our charitable objects into the long-term. During 2019/20, we celebrated the following achievements in the pursuit of those goals:

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

In the drive to reduce the financial exposure from under-funded residential care contracts, work continued during the year to reconfigure the Trust's accommodation services through the expansion of supported living. In May 2019, four new self-contained apartments were completed on Highlands Farm. Funded with the generous support of The Lockhart Foundation and located adjacent to the Trust's existing Farm View service, these apartments were designed to assist individuals in making the transition from residential care to supported living in a familiar and safe environment. The first two tenants – who transferred from Watchbell House into their new homes in August – were invited to choose the name of the development. They chose 'Lockhart Place'; a fitting tribute to the generosity of the late John Lockhart, whose charity made the development possible. A third tenant joined them in December and plans to support a fourth individual to make the move from residential care are currently underway.

COT welcomed two new service users into our residential community during the year – one at Farm House and one at Ivy Cottage. In addition, one internal move was undertaken in order to accommodate changing health needs.

The Care Quality Commission inspected one of our residential homes during 2019/20 – The Mariners in Rye - with an overall 'Good' rating achieved. Following the introduction of some elements of personal care to our Community Supported Living service, the CSS service was registered with the Care Quality Commission during the year. This means that the service will be regularly inspected, along with the Trust's residential homes. The first inspection – in November 2019 – achieved an overall 'Good' rating. Pleasingly, inspectors noted that, *"People were supported by staff who knew them well and who treated them with kindness and compassion. People were supported to have maximum choice and control of their lives and staff supported them in the least restrictive way possible and in their best interests; the policies and systems in the service supported this practice. People were given information in a way which was meaningful to them."*

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Quality Assurance feedback received from the families of residents and tenants during the year included the following comments:

- *"[The Review Process] works well. The reports are all well presented with such details that it proves how professional they are with their care."*
- *"Always clean & tidy whilst looking like a place where people live rather than a 'show home'"*
- *"Quality is exceptional"*
- *"We are 110% happy with everything that the staff do for our [son]"*
- *"(Levels of support) Again excellent. The team are always looking to broaden [our son's] activities and life skills. [The manager] has opened up so many opportunities."*
- *"[The House] is always neat and tidy, freshly decorated. The gardens have recently been re-designed and new fences erected. The picnic and barbeque area is welcoming. The interior of the house is organised and attractive."*

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

Over 31,800 individual Life Skills sessions were delivered to service users during 2019/20 – the highest number recorded in any one year. As at the end of March, 76 of our residents and tenants were registered on COT's day service programmes, along with 83 external students.

Opportunities were available across 8 different services, including catering, hospitality, retail, animal management, art & craft, music, horticulture, woodland management, healthy living, floristry, literacy, numeracy and IT.

During the year, 20 students achieved City and Guilds accreditation and a further 15 were working towards their assessments.

The MYLife Skills Academy— the Trust's new learning centre – is now into its second successful year. Housed in the award winning Foley Centre on the Highlands Farm site, the service supports 70 students to use the latest in teaching and learning technology across a range of specialist teaching areas. In addition to classroom-based study, students also have access to an external learning space and tutors regularly enhance the curriculum with study visits to the surrounding farm and its woodland areas.

Learners at the Academy are encouraged to take ownership of their learning and to develop the skills they need to face the challenges of a fast-paced and ever-changing modern world. Student feedback has shown that individuals particularly appreciate the opportunity to learn and socialise in a lively, fun environment. Those not wishing to pursue City & Guilds accreditation in IT skills have access to a broad 'Skills for Living' curriculum including Independence & Confidence; Personal Presentation; Making Choices; Problem Solving; Budgeting; Friendship & Relationships; The World Around You; Social Media; Expressing Yourself; Mindfulness and Rights & Responsibilities. New options of Online Safety and Photography were developed during the course of the year.

In order to improve the financial sustainability of the Life Skills provision, a restructure was undertaken during the year to streamline management and reduce administrative duplication. The individual Service Manager and Senior Life Skills Manager positions were replaced with two new Life Skills Area Managers roles, with responsibility for oversight of the land-based and classroom-based programmes, respectively.

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

Breaking down the social barriers faced by adults with learning disabilities is a key feature of COT's charitable mission. To this end, the drive to pursue every opportunity for positive community engagement is a key feature of our work.

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A number of public events involving students from Life Skills services took place during the year. In April, the 'Plants & Produce' service attended the Saltwood Castle Plant Fair and the 'Gardening for the Disabled' event at Hush Health Vineyard. In June, the horticulture students enjoyed representing the Trust at the Wealden Times Midsummer Fair at Hole Park, selling over a thousand plants during the 4-day event, despite extremely inclement weather. Individuals studying for their City and Guilds qualification in Horticulture also arranged an open day in order to showcase their skills. The highlight of the year for the green-fingered students was the achievement of 1st and 2nd prizes for hanging baskets at the Kent County show in Detling – a useful source of PR and awareness-raising for the charity.

The Art at the Farm service also took part in the Wealden Summer Fair, selling a wide range of hand-made crafts. This was followed by an Open Evening in the autumn, featuring a unique 'fabric picnic' which proved to be a popular talking point with the invited guests. Artists' work was also showcased at the Godinton Winter Art Fair in December; an invaluable 3-day opportunity to promote the charity to a wider audience. As in previous years, the service's charity Christmas cards proved popular, selling out twice in a range of community locations.

Once again, the Poulton Wood Rangers hosted the public at their annual Bluebell Cream Tea and Open Day events. Although adverse weather meant that the events were not as profitable as in previous years, they still offered welcome opportunities to spread the word about the charity.

Following advice from Natural England in relation to the site's new 5-year management plan, the decision was taken to close the woodland to the public annually from 1 October to 30 March. This will enable some rest and recovery for the woodland floor and give the spring flowers the opportunity to emerge undisturbed. Although this limits opportunities for public engagement, there has been a great deal of local support and understanding for the measures.

Students working within our Rare Breeds Centre Life Skills programmes played host to a total of 115,650 visitors around the Farm, restaurant and the shop during the Financial Year. Admissions up to the end of January 2020 were on track for 2019/20 to be the second most successful year on record until the Coronavirus pandemic, which adversely affected visitation and resulted in total site closure before the end of March.

In order to support the Centre's strategy for strategic growth (and increase contact between service users and the public), new customer feedback forms were introduced during the year and a fully connected e-mail marketing system was set-up for communications to Annual Pass holders. This meant that it was possible to launch tickets to the site's event programme exclusively to members for the first time in 2019, resulting in a positive impact on advanced sales.

In addition to the annual Car Rally and Santa's Specials programme, the students and staff of the Rare Breeds Centre staged a two-week Halloween event in 2019, in order to widen the reach of the attraction and accommodate the increasing numbers of visitors from East Sussex (where the school holidays are different).

Improvements to the visitor offer included the introduction of free wi-fi, refurbishment of our indoor picnic areas and better access to handwashing facilities.

Promoting the work of COT

The Trust's work was promoted through a variety of different channels, including 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 ('@rarebreedscentre', '@cotcharity', '@cotcharity' and '@rarebreedskent'). The magazine 'In Touch' – via which we communicate with families and supporters - was published three times during the year.

An awareness campaign on Facebook during Learning Disability Week in June saw some individual posts reaching over 4,500 people. A successful follow-up campaign entitled "5 Students 5 Days" was run over a number of weeks focusing on each of our Life Skills training programmes.

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A Care Open Day in June enabled potential future service users and their families to visit the Highlands Farm site to find out more about the Trust's care accommodation services and to enjoy a range of interactive activities promoting our different Life Skills services.

Marketing campaigns for the Rare Breeds Centre were run in a range of Kent postcodes and two dedicated school mail-outs were undertaken. A promotional video was commissioned to improve visual marketing and the attraction benefited from a prominent billboard location at Ashford International rail station throughout the year. Alongside this, deals were brokered with online promoters, bloggers and 'mums with influence'.

Fundraising

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. In response to the issue of a new code of Fundraising Practice in October 2019, a review was undertaken of COT's activity with the necessary steps taken to remain compliant.

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 main source of source of unrestricted donations during the Financial Year, with 75 individuals making regular gifts and with one-off donations received from 290 donors.

A new Amazon "wish list" – set up by the sibling of a COT resident – proved to be a very successful initiative, having resulted in the purchase of over £5,000 donated items since its inception in September 2019. The list – an invaluable source of morale boosting gifts for service users during lockdown - will remain active for the foreseeable future.

We were grateful to the following organisations for their generous support during 2019/20: Lockhart Foundation; Civil Service Insurance Charity Fund; The Will Charitable Trust; The Mark Leonard Trust; The Percy Bilton Charity; Nineveh Charitable Trust; Province of East Kent Freemasons; Feathers Charitable Trust; Fellfoot Charitable Trust; D'Oyly Carte Charitable Trust; Rotary Club of Sandwich; Claims Direct; GD Herbert Charitable Trust; Gilbert Edgar Charitable Trust and the Canterbury Christchurch Student Union Music Society.

Challenge fundraisers once again played a vital role in supporting the charity, with individuals tackling the London Marathon, the Mallorca 312 cycling challenge and the Prudential London to Surrey cycle ride in aid of COT.

The annual Problematic Pop Quiz at Highlands Farm was once again the highlight of a busy year of fundraising by one of our families, who hosted a total of 17 pop quizzes across Kent, raising £11,000.

Hi-Trade—a charity shop in Sidcup raising funds for Canterbury Oast Trust—supported the Trust with gifts totalling £87,543 in the year. These funds helped us to provide a wide range of items for our services and training projects, including a specialist items for the homes, running costs for the Life Skills bus and a new van for Highlands Farm.

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The Friends of COT were once again active in their fundraising throughout the year, raising funds towards holidays, outings and social activities for service users. Tickets and annual passes to local attractions were appreciated by many who enjoy a day out even more than a longer time away from their home. The weekly Zumba sessions remained popular and discos, musical shows and a fun sports day were offered by Friends as well as enabling several teams to enter the local 'It's a Knockout' challenge. Fully funded outings to Christmas shows were provided and every resident and tenant received a Christmas gift. Grants of £5,372 were made for holidays while the various events and activities were funded to a total of £3,900.

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

COT maintained its strong track-record in the professional development of staff throughout 2019/20, with 13 delegates completing the Care Certificate, 4 delegates completing the Health and Social Care Diploma Level 2, one delegate completing their Level 5 Diploma and the delivery of 9 on-site mandatory courses.

Staff also benefited from a total of 1,022 e-learning modules in partnership with iHasco and the Care Skills Academy; a 30% increase on the previous year. These mandatory online modules continue to be underpinned by the provision of taught courses, the support of professionals outside of COT, coaching and mentoring and other accredited learning and development courses as required.

In line with one of the Trust's key strategic objectives for the year, investment was made in a bespoke Leadership and Management training programme for all managers from October 2019 to March 2020. Emphasis in programme design was placed on techniques and approaches that managers could implement straight away in their working practices. This included COT-specific sessions on a new Performance Management & Development framework and 'Finance for Non Finance Managers', developed with input from the Financial Controller. The first cohort of senior and operational managers is now complete and the programme will be rolled out to middle managers in 2020.

Care staff turnover for the Financial Year 2019/20 stood at 17%. Although this was an increase of 7% on the previous year, the figure remains significantly below the national average of 30.8% for adult social care organisations in the same period ('The State of Adult Social Care in England', Skills for Care, September 2019). Of those who left the Trust during the year, just under 20% have either returned or are in the process of returning to the organisation.

A Care Recruitment Day was held in October, following a dedicated advertising campaign including job boards, social media and a local radio campaign. The event proved successful in raising the profile of the Trust and in filling Support Worker, peripatetic Flexi staff roles.

Volunteering

The contribution made by volunteers remains an essential aspect of COT's work and we were indebted to the 160 individuals who supported the Trust across all areas of operation during 2019/20. By offering their time and expertise to our care homes, life skills services, visitor attraction, administration, events, fundraising and Estates Department, volunteers provided nearly 20,500 hours of in-kind support. Although this figure was down slightly on the previous year, this was due only to the disruption caused by Covid-19 towards the end of March.

The efforts of the volunteer gardening group were once again most welcome during 2019, including tidying, pruning, jet washing, weeding and even re-shingling a much-loved model railway track for one of our tenants.

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Corporate volunteer groups provided over 800 hours of their time in support of a range of projects—from clearing brambles, putting up and taking down Halloween decorations, mowing grass, selling plants, harvesting produce and planting blackthorn hedges to painting animal enclosures. We were grateful to the following organisations for their support for our charity: AM Marketing, Kent Ambassadors, AXA, Rail Delivery Group, TSB, Marsh Commercial Chartered Insurance Brokers and ICIS Fertilizers.

To help ensure that volunteers feel a valued part of the COT team, those new to the Trust are invited to a Trust-wide Induction Day, where they have the opportunity to meet all key staff and hear about the ways in which their efforts will help the charity achieve its strategic goals. There is also the chance to attend the annual All Staff and Volunteers Meeting to ask questions directly of the management team and hear about developments from around COT.

At the start of 2020, a new on-line training programme was introduced for volunteers, with modules including Equality and Diversity; Fire Awareness; GDPD Essentials; Health and Safety; Infection Control; Manual Handling and Safeguarding. Prior to the Covid-19 lockdown, 17 existing volunteers were enrolled and working through their courses. Going forward, the programme will be undertaken prior to commencement of all new volunteering placements.

An annual Volunteers' Lunch is held in order to offer a public vote of thanks and recognition for the many hours of effort and dedication given during the previous year. In September 2019, we welcomed 110 volunteers for a Mexican-themed afternoon of celebration.

PLANS FOR THE FUTURE

The Trustees and Management of COT recognise the importance of being a learning organisation and all remain committed to addressing any areas for improvement that exist. As highlighted by the Covid-19 pandemic, circumstances will inevitably arise that require us to change what we do and how we do it. This willingness to adapt and evolve as necessary informs our approach to longer-term planning.

In support of the Brighter Lives strategy for period 2019-2021, the following strategic objectives will guide the work of the charity in the coming financial year:

Goal 1—To provide a varied and financially sustainable mix of living options for adults with learning disabilities:

- Reduce the operating deficit on residential care accommodation;
- Review the existing residential infrastructure to ensure that it remains financially sustainable, fit for purpose and capable of meeting changing service user needs;
- Continue to work towards a more even 50:50 split between residential care and supported living services;
- Improve the mechanisms for internal monitoring of quality and compliance in all residential care homes;
- Review management arrangements in supported living services to drive continuous improvement in the areas of communication and quality monitoring.

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

- Develop a sustainable operating and financial model for Life Skills services, incorporating the changes required by Covid-19;
- Capture more robust data on wellbeing outcomes for service users

Goal 3—To raise awareness and acceptance of learning disability through community engagement:

- Achieve a profitable model for safely accommodating 150,000 visitors to the Rare Breeds Centre;

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- Improve marketing communications with a review of branding and the development of new, more closely aligned, websites for the Rare Breeds Centre and Canterbury Oast Trust.

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

- Maintain low staff turnover;
- Increase the number of applicants for care vacancies to maximise choice and improve fit;
- Continue to drive down care agency usage and costs;
- Deliver the Leadership & Management Programme for all middle managers and ensure that learnings from the 2019 cohort are embedded in improved management practice;
- Improve and standardise reward and recognition activity throughout the Trust.

In support of these goal-specific objectives, work will continue throughout the coming year to upgrade IT connectivity across COT. This will support increased productivity, improvement in GDPR compliance and the achievement of efficiency savings in all key operating areas. The key milestones for this project in 2019 were achieved, including the mapping of all key workflows, business analyst support to review the efficiency of those processes and the development of a detailed specification of requirements. The selection of a suitable software provider was delayed, due to the outbreak of the Covid-19 pandemic and this will be the first priority as lockdown releases in order to keep the plans on track for implementation in the Financial Year 2021-22. COT remains grateful for the support of a volunteer from the Cranfield Trust for their pro-bono support throughout the development phase of the project.

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 £1,031,247 as at 31st March 2020.

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.

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 2020 the charity had total reserves of £8,282,686 (2019: £8,276,320) which includes £4.5m (2019: £4.4m) represented by fixed assets, £315,000 (2019: £316,933) designated funds and £1,554,335 restricted funds (2019: £1,540,924). Free reserves totalled £1,925,265 (2019: £1,912,889).

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.

CANTERBURY OAST TRUST

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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 service users 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 no less than 4 months' 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.

At the end of 2019/20 the Trust had borrowed £284,064 and had £2,636,279 cash reserves. This represented 5.1 months of operating costs, in line with the Reserves Policy.

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, including the impact of the covid-19 outbreak on that assessment.

Covid-19 has had a significant impact on Canterbury Oast Trust's operations on a day to day basis. Anticipated losses as a result of the pandemic currently stand at c£800k for the year ended 31 March 2021, resulting mainly from lost income for both the life skills programme and the Rare Breeds Centre, which remained closed until July 2020 and remains under review in terms of opening for the rest of the financial year to 31 March 2021. In an attempt to contain the financial impact, the Trust has accessed the Government's Job Retention Furlough Scheme in respect of 80 staff roles.

CANTERBURY OAST TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 31 MARCH 2020

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 up to October 2021 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 sale of a property post year end, previously used for residential services, has added £910k to cash balances. The charity is supporting the trading subsidiary during this period whilst its activities are impacted by the pandemic. The Trustees do not consider that the impact of the Covid 19 pandemic will have a material impact on the charity's going concern status.

CAPITAL EXPENDITURE

In pursuit of the Trust's 4 charitable objectives, infrastructure investment continued across all our services in the year 2019-20, with £303,123 expended on capital projects including £155,000 on new builds and infrastructure improvements.

PENSIONS

In 2016/17 it was decided that Canterbury Oast Trust employees would no longer be permitted to join the Pensions Trust Growth Plan Series 3 (a defined benefit pension arrangement) as new members. There remained a number of employees and past employees who retained accrued benefits in this Plan so a payment of £31,802 was paid to the Pensions Trust on 8 February 2018 in order to remove all COT liability in respect of Section 75 of the Pensions Act 1995.

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.

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;
- 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.

CANTERBURY OAST TRUST TRUSTEES' REPORT FOR THE YEAR ENDING 31 MARCH 2020

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 AUDITORS

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 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 ensure that the auditors are 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 17th October 2019.

APPROVAL

This report was approved by the Trustees on 2020 and signed on their behalf by:
Russell Walters, Chairman

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 2020 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 15, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

CANTERBURY OAST TRUST**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Donations and legacies	3	359,644	212,656	572,300	1,187,623
Charitable activities	4	5,973,047	-	5,973,047	5,856,351
Investments	5	1,849	520	2,369	1,870
Total income		6,334,540	213,176	6,547,716	7,045,844
<u>Expenditure on:</u>					
Raising funds	6	44,407	-	44,407	60,381
Charitable activities	7	6,289,540	199,765	6,489,305	6,204,868
Other	9	7,335	-	7,335	7,986
Total expenditure		6,341,282	199,765	6,541,047	6,273,235
Net (loss)/gain on investments	14	(303)	-	(303)	106,771
Net (expenditure)/income for the year/ Net movement in funds		(7,045)	13,411	6,366	879,380
Fund balances at 1 April		6,735,396	1,540,924	8,276,320	7,396,940
Fund balances at 31 March		6,728,351	1,554,335	8,282,686	8,276,320

CANTERBURY OAST TRUST**BALANCE SHEET****AS AT 31 MARCH 2020**

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		4,498,086		4,405,574
Investments	14		1,056,347		1,057,650
			<u>5,554,433</u>		<u>5,463,224</u>
Current assets					
Stocks	15	62,259		75,378	
Debtors	16	843,721		1,397,525	
Cash at bank and in hand		2,636,279		2,239,626	
			<u>3,542,259</u>		<u>3,712,529</u>
Creditors: amounts falling due within one year	17	(565,894)		(620,503)	
Net current assets			<u>2,976,365</u>		<u>3,092,026</u>
Total assets less current liabilities			<u>8,530,798</u>		<u>8,555,250</u>
Creditors: amounts falling due after more than one year	19		(248,112)		(278,930)
Net assets			<u><u>8,282,686</u></u>		<u><u>8,276,320</u></u>
Income funds					
Restricted funds	23		1,554,335		1,540,924
<u>Unrestricted funds</u>					
Designated funds	24	315,000		416,933	
General unrestricted funds		6,413,351		6,318,463	
			<u>6,728,351</u>		<u>6,735,396</u>
			<u><u>8,282,686</u></u>		<u><u>8,276,320</u></u>

The financial statements were approved by the Trustees on

.....
 Russell Walters, Chairman
Trustee

Company Registration No. 01897198

CANTERBURY OAST TRUST**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	29		726,803		1,687,674
Interest payable	9		(7,335)		(7,986)
			<u>719,468</u>		<u>1,679,688</u>
Investing activities					
Purchase of tangible fixed assets		(303,123)		(853,803)	
Proceeds on disposal of tangible fixed assets		7,758		2,670	
Receipts from repayment of loans from trading subsidiary		1,000		1,000	
Interest received		2,369		1,870	
			<u>(291,996)</u>		<u>(848,263)</u>
Financing activities					
Repayment of bank loans		(30,819)		(149,031)	
			<u>(30,819)</u>		<u>(149,031)</u>
Net increase in cash and cash equivalents					
			<u>396,653</u>		<u>682,394</u>
Cash and cash equivalents at beginning of year			2,239,626		1,557,232
Cash and cash equivalents at end of year			<u><u>2,636,279</u></u>		<u><u>2,239,626</u></u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 accounts have been prepared with application of the FRS 102 Triennial Review 2017 amendments in full.

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 covid-19 outbreak on that assessment.

Covid-19 has had a significant impact on Canterbury Oast Trust's operations on a day to day basis. Anticipated losses as a result of the pandemic currently stand at c£800k for the year ended 31 March 2021, resulting mainly from lost income for both the life skills programme and the Rare Breeds Centre. The Rare Breeds Centre remained closed until July 2020 and remains under review in terms of opening for the rest of the financial year to 31 March 2021. In an attempt to contain the financial impact, the Trust has accessed the Government's Job Retention Furlough Scheme in respect of 80 staff roles.

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 up to October 2021 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 sale of a property post year end, previously used for residential services, has added £910k to cash balances. The charity is supporting the trading subsidiary during this period whilst its activities are impacted by the pandemic.

The Trustees do not consider that the impact of the covid 19 pandemic will have a material impact on the charity's going concern status.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

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.

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.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

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

Freehold land and assets in the course of construction are not depreciated.

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.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

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.

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 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.16 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 14.

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****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 1.16 the Trustees consider the results of the subsidiary to be immaterial to the group and as such they have not prepared consolidated accounts.

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 2020 £	Total 2019 £
Donations and gifts (see below)	205,937	212,656	418,593	834,369
Legacies receivable	150,827	-	150,827	336,000
Market value of pro-bono funding	2,880	-	2,880	1,152
COT Trading Limited	-	-	-	16,102
	<u>359,644</u>	<u>212,656</u>	<u>572,300</u>	<u>1,187,623</u>
For the year ended 31 March 2019	<u>561,813</u>	<u>625,810</u>		<u>1,187,623</u>
Donations and gifts				
Grants	-	85,843	85,843	98,790
Individual gifts	197,783	62,091	259,874	262,051
Charitable foundations	2,654	59,965	62,619	462,741
Corporate donors	5,500	4,757	10,257	10,787
	<u>205,937</u>	<u>212,656</u>	<u>418,593</u>	<u>834,369</u>

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****4 Charitable activities**

	Care and life skills	Social enterprise groups	Total 2020	Unrestricted Total 2019
	£	£	£	£
Income by charitable activities	4,928,970	1,044,077	5,973,047	5,856,351

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

5 Investments

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Interest receivable	1,849	520	2,369	1,870
For the year ended 31 March 2019	1,539	331		1,870

6 Raising funds

	Total 2020	Unrestricted Total 2019
	£	£
Fundraising and publicity		
Advertising	-	17,640
Staff costs	44,154	42,308
Depreciation and impairment	253	433
	44,407	60,381

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****7 Charitable activities**

	Care and life skills	Social enterprise groups	Total 2020	Total 2019
	£	£	£	£
Staff costs	3,264,175	620,297	3,884,472	3,682,724
Depreciation and impairment	131,861	60,860	192,721	182,979
Purchases	222,255	287,564	509,819	564,591
Utility and telephone costs	171,465	38,005	209,470	193,048
Vehicle costs	82,461	11,397	93,858	102,732
Insurance	75,506	23,977	99,483	93,010
Repairs and maintenance	227,016	147,758	374,774	313,246
Advertising	-	48,093	48,093	33,813
Miscellaneous	6,966	30,470	37,436	31,780
(Profit) / Loss on sale of fixed assets	(105)	(14)	(119)	176
Postage and stationery	6,198	7,135	13,333	13,840
	<u>4,187,798</u>	<u>1,275,542</u>	<u>5,463,340</u>	<u>5,211,939</u>
Share of support costs (see note 8)	846,801	113,593	960,394	930,360
Share of governance costs (see note 8)	57,815	7,756	65,571	62,569
	<u><u>5,092,414</u></u>	<u><u>1,396,891</u></u>	<u><u>6,489,305</u></u>	<u><u>6,204,868</u></u>

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****7 Charitable activities (Continued)**

	Care and life skills	Social enterprise groups	Total 2020	Total 2019
	£	£	£	£
Analysis by fund				
Unrestricted funds	4,917,555	1,371,985	6,289,540	
Restricted funds	174,859	24,906	199,765	
	<u>5,092,414</u>	<u>1,396,891</u>	<u>6,489,305</u>	
For the year ended 31 March 2019				
Unrestricted funds	4,833,648	1,207,641		6,041,289
Restricted funds	128,684	34,895		163,579
	<u>4,962,332</u>	<u>1,242,536</u>		<u>6,204,868</u>

8 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Staff costs	708,199	53,305	761,504	764,227
Depreciation	9,998	-	9,998	6,316
Other costs	155,645	-	155,645	123,852
Professional	16,914	7,025	23,939	33,867
Telephone	21,994	1,655	23,649	16,325
Postage and stationery	25,028	1,884	26,912	27,609
Bank charges	22,616	1,702	24,318	20,733
	<u>960,394</u>	<u>65,571</u>	<u>1,025,965</u>	<u>992,929</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.

9 Other expenditure

	Unrestricted Total 2020 £	Total 2019 £
Bank interest paid	7,335	7,986
	<u>7,335</u>	<u>7,986</u>

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

10 Net movement in funds	2020	2019
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	16,000	11,250
Fees payable to the company's auditor for non-audit services	3,200	3,200
Depreciation of owned tangible fixed assets	204,551	191,386
Profit on disposal of tangible fixed assets	(1,698)	(1,482)
Operating lease charges	1,248	1,248
	<u> </u>	<u> </u>

11 Employees**Number of employees**

The average monthly number employees during the year was:

	2020	2019
	Number	Number
Support and resident services	167	176
Administration	15	16
Commercial, marketing and appeals	55	54
	<u> </u>	<u> </u>
	237	246
	<u> </u>	<u> </u>

Employment costs

	2020	2019
	£	£
Wages and salaries	4,038,580	3,947,180
Social security costs	305,453	294,046
Other pension costs	84,516	66,731
	<u> </u>	<u> </u>
	4,428,549	4,307,957
	<u> </u>	<u> </u>

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

	2020	2019
	Number	Number
£60,001 - £70,000	1	1
	<u> </u>	<u> </u>

The Trust considers the Board of Trustees and the Chief Executive as their key management personnel. The total employment benefits including employer contribution of the key management personnel was £78,009 (2019: £75,229).

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 £84,516 (2019: £66,731).

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****12 Trustees**

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2019: nil).

During the year 2 (2019: 3) trustees received reimbursement of travel expenses amounting to £818 (2019: £1,254).

13 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2019	5,306,495	330,536	721,967	257,955	6,616,953
Additions	155,080	-	78,908	69,135	303,123
Disposals	-	-	(10,952)	(30,850)	(41,802)
Transfer	330,536	(330,536)	-	-	-
At 31 March 2020	5,792,111	-	789,923	296,240	6,878,274
Depreciation and impairment					
At 1 April 2019	1,495,524	-	511,229	204,626	2,211,379
Depreciation charged in the year	114,658	-	58,445	31,448	204,551
Eliminated in respect of disposals	-	-	(10,952)	(24,790)	(35,742)
At 31 March 2020	1,610,182	-	558,722	211,284	2,380,188
Carrying amount					
At 31 March 2020	4,181,929	-	231,201	84,956	4,498,086
At 31 March 2019	3,810,971	330,536	210,738	53,329	4,405,574

Included in land and buildings is freehold land at cost of £100,000 (2019: £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 £20m (2019: £16.8m). 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 2020****14 Fixed asset investments**

	Unlisted investments £	Other investments £	Total £
Cost or valuation			
At 1 April 2018	1,031,550	26,100	1,057,650
Unrealised gains / (losses)	(303)	-	(303)
	<u>1,031,247</u>	<u>26,100</u>	<u>1,057,347</u>
At 31 March 2020	1,031,247	26,100	1,057,347
	<u>1,031,247</u>	<u>26,100</u>	<u>1,057,347</u>
Impairment			
At 1 April 2018	-	-	-
Repayments	-	1,000	1,000
	<u>-</u>	<u>1,000</u>	<u>1,000</u>
At 31 March 2020	-	1,000	1,000
	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Carrying amount			
At 31 March 2020	1,031,247	25,100	1,056,347
	<u>1,031,247</u>	<u>25,100</u>	<u>1,056,347</u>
At 31 March 2019	1,031,550	26,100	1,057,650
	<u>1,031,550</u>	<u>26,100</u>	<u>1,057,650</u>

	2020 £	2019 £
Other investments comprise:		
Investments in subsidiaries	100	100
Loans to subsidiaries	25,000	26,000
	<u>25,100</u>	<u>26,100</u>
	<u>25,100</u>	<u>26,100</u>

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 1.16.

15 Stocks	2020 £	2019 £
Goods for resale	62,259	75,378
	<u>62,259</u>	<u>75,378</u>

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****16 Debtors**

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	436,891	384,591
Amounts due from fellow group undertakings	1,222	16,468
Other debtors	240,036	491,106
Prepayments and accrued income	165,572	505,360
	<u>843,721</u>	<u>1,397,525</u>

17 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Bank loans	20	35,952	35,953
Trade creditors		64,625	73,464
Other taxation and social security		86,776	80,670
Other creditors		61,556	58,889
Accruals and deferred income		316,985	371,527
		<u>565,894</u>	<u>620,503</u>

18 Deferred income

Deferred income is included in the financial statements as follows:

	2020	2019
	£	£
Deferred income at 1 April	47,306	44,672
Income received requiring deferment	49,772	47,306
Release of income during the year	(47,306)	(44,672)
	<u>49,772</u>	<u>47,306</u>

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

19 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Bank loans	20	248,112	278,930

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****20 Borrowings**

	2020	2019
	£	£
Bank loans	284,064	314,883
Payable within one year	35,952	35,953
Payable after one year	248,112	278,930
Amounts included above which fall due after five years:		
Payable by instalments	140,256	135,170

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 charge dated 1 February 2010 over the charity's freehold property known as Beaverlodge.

The National Westminster Bank plc. holds a fixed and floating charge held over assets other than land.

21 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Instruments measured at fair value	1,031,247	1,031,550

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****22 Analysis of net assets between funds**

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2020 are represented by:			
Tangible assets	3,230,177	1,267,909	4,498,086
Investments	1,056,347	-	1,056,347
Net current assets	2,689,939	286,426	2,976,365
Long term liabilities	(248,112)	-	(248,112)
	<u>6,728,351</u>	<u>1,554,335</u>	<u>8,282,686</u>
	<u><u>6,728,351</u></u>	<u><u>1,554,335</u></u>	<u><u>8,282,686</u></u>
 Previous year			
	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2019 are represented by:			
Tangible assets	3,262,901	1,142,673	4,405,574
Investments	1,057,650	-	1,057,650
Net current assets	2,693,775	398,251	3,092,026
Long term liabilities	(278,930)	-	(278,930)
	<u>6,735,396</u>	<u>1,540,924</u>	<u>8,276,320</u>
	<u><u>6,735,396</u></u>	<u><u>1,540,924</u></u>	<u><u>8,276,320</u></u>

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****23 Restricted funds**

Movement on restricted funds is as follows:

	Balance at 1 April 2019 £	Movement in funds		Transfers £	Balance at 31 March 2020 £
		Income £	Expenditure £		
Aldington	43,225	28,210	(11,741)	-	59,694
Catering	6,702	-	-	-	6,702
Craft room	3,985	2,995	(3,721)	-	3,259
Farm	36,680	3,500	(358)	(3,500)	36,322
Friends of COT	22,078	17,366	(13,689)	-	25,755
Fundraising	11,410	520	-	-	11,930
Horticulture	4,686	7,183	(5,850)	-	6,019
Life skills	19,777	35,000	(13,541)	-	41,236
Poulton Wood	3,929	12,733	(2,509)	-	14,153
Rye	12,020	8,188	(5,504)	-	14,704
Salaries	21,039	75,000	(71,643)	-	24,396
Woodchurch	196,092	4,189	(7,559)	(170,963)	21,759
Other restricted funds	19,535	18,292	(6,337)	(11,000)	20,490
Restricted funds - fixed assets	1,139,766	-	(57,313)	185,463	1,267,916
	<u>1,540,924</u>	<u>213,176</u>	<u>(199,765)</u>	<u>-</u>	<u>1,554,335</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 Included within the restricted income for the Woodchurch fund is £263,000 received from The Lockhart Foundation. This donation is for the acquisition and holding of land and buildings for use in providing accommodation and ongoing support for the benefit of the residents of 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 2020****23 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 2018	Movement in funds			Balance at 31 March 2019
		Income	Expenditure	Transfers	
	£	£	£	£	£
Aldington	266,636	190,742	(25,137)	(389,016)	43,225
Catering	6,892	1,240	(1,430)	-	6,702
Craft room	8,191	1,369	(5,575)	-	3,985
Farm	18,019	26,260	(7,599)	-	36,680
Friends of COT	20,672	13,127	(11,721)	-	22,078
Fundraising	11,075	335	-	-	11,410
Horticulture	5,979	960	(2,253)	-	4,686
Life skills	20,158	4,000	(4,381)	-	19,777
Poulton Wood	4,252	1,399	(1,722)	-	3,929
Rye	7,113	10,125	(5,218)	-	12,020
Salaries	25,044	15,000	(19,005)	-	21,039
Woodchurch	29,445	357,362	(9,849)	(180,866)	196,092
Other restricted funds	29,950	4,222	(14,637)	-	19,535
Restricted funds - fixed assets	624,936	-	(55,052)	569,882	1,139,766
	<u>1,078,362</u>	<u>626,141</u>	<u>(163,579)</u>	<u>-</u>	<u>1,540,924</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 2020****24 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 2019	Movement in funds			Balance at 31 March 2020
		Income	Expenditure/ gain on investment	Transfers	
	£	£	£	£	£
Farmview development fund	316,933	75,000	(461,632)	69,699	-
The Rare Breeds Centre development fund	100,000	-	(100,000)	315,000	315,000
Unrestricted reserves	6,318,463	6,259,540	(5,779,953)	(384,699)	6,413,351
	<u>6,735,396</u>	<u>6,334,540</u>	<u>(6,341,585)</u>	<u>-</u>	<u>6,728,351</u>

In the prior year the Trustees have set aside funds totalling £316,933 from the unrestricted general fund into a designated fund called the "Farmview development fund". It is intended that these funds will be used for the further development and expansion of services for adults with learning disabilities. These funds will be spent in conjunction with the restricted funds received from The Lockhart Foundation held in the Woodchurch restricted fund. In the current year, £461,632 was spent and the overspend on budget of £69,699 was transferred from general unrestricted funds.

In the prior year the Trustees have set aside funds totalling £100,000 from the unrestricted general fund into a designated fund called the "The Rare Breeds Centre development fund". In the current year, £100,000 was spent. At the year end, the Trustees have set aside funds totalling £315,000 from the unrestricted general fund into a designated fund called the "The Rare Breed Centre development fund". It is intended that these funds will be used for the further development of The Rare Breed Centre over the coming year.

	Balance at 1 April 2018	Movement in funds			Balance at 31 March 2019
		Income	Expenditure/ gain on investment	Transfers	
	£	£	£	£	£
General development fund	240,000	-	-	(240,000)	-
Farmview development fund	-	-	-	316,933	316,933
The Rare Breeds Centre development fund	-	-	-	100,000	100,000
Unrestricted reserves	6,078,578	6,419,703	(6,002,885)	(176,933)	6,318,463
	<u>6,318,578</u>	<u>-</u>	<u>(6,002,885)</u>	<u>-</u>	<u>6,735,396</u>

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****24 Designated and Unrestricted funds (Continued)**

In the prior year the Trustees have set aside funds totaling £240,000 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. In the current year, £226,036 of this fund was capitalised, and the underspend on budget of £13,964 was transferred back to general unrestricted funds.

At the year end, the Trustees have set aside funds totalling £316,933 from unrestricted general fund into a designated fund called the "Farm View project fund". It is intended that these funds will be used for the further development and expansion of services for adults with learning disabilities. These funds will be spent in conjunction with the restricted funds received from The Lockhart Foundation held in the Woodchurch restricted fund. A fund of £100,000 has been set aside for the development of the Rare Breeds Centre over the coming year.

25 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 charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	1,247	1,248
Between two and five years	-	1,247
	<u>1,247</u>	<u>2,495</u>

26 Capital commitments

At 31 March 2020 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	-	146,251
	<u>-</u>	<u>146,251</u>

27 Related party transactions

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

	2020	2019
	£	£
Management charge	4,585	5,367
Interest charged on loan	910	946
Gift of profit to charity	-	16,102

CANTERBURY OAST TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****27 Related party transactions (Continued)**

There are no other trading activities between the entities during the year. At the year end £2,222 (2019: £17,462) was owed from COT Trading Limited and is included in note 16.

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 2020 COT Trading Limited had a turnover of £135,710 (2019: £160,125) and made a net loss of £3,018 (2019: profit of £16,102) and made a distribution of £nil (2019: £nil). The net liabilities of COT Trading Limited as at 31 March 2020 were £2,918 (2019: net assets of £100). The company has an unsecured loan of £25,000 (2019: £26,000), 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% (2019: 3.5%) per annum.

28 Events after the reporting date

The Covid-19 pandemic has had an operational impact on charity's activities including the Rare Breeds Centre and the trading subsidiary since mid March 2020. Further details of how the charity is managing this is set out under the going concern section of the accounting policies.

In June 2020, the charity sold one of its properties, Watchbell House, which is included in freehold land buildings for £925,000, £910,000 after fees.

29 Cash generated from operations	2020	2019
	£	£
Surplus for the year	6,366	879,380
Adjustments for:		
Investment income recognised in income & expenditure	(2,369)	(1,870)
Interest payable	7,335	7,986
Gain on disposal of tangible fixed assets	(1,698)	(1,482)
Unrestricted gain on investments	303	(106,771)
Depreciation of tangible fixed assets	204,551	191,386
Movements in working capital:		
Decrease in stocks	13,119	6,213
Decrease in debtors	553,804	599,783
(Decrease)/increase in creditors	(54,608)	113,287
Cash generated from operations	726,803	1,687,912