

Charity Registration No. 291662

Company Registration No. 01897198 (England and Wales)

CANTERBURY OAST TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CANTERBURY OAST TRUST

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CANTERBURY OAST TRUST TRUSTEES' REPORT FOR THE YEAR ENDING 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees:

Russell Walters	Chair
Trevor Pearce	Vice Chair
Jane Abbott	Lead for Care
Chris Showell	Lead for Finance and Human Resources
Peter Pearson-Wood	Lead for Rare Breeds Centre
Kenneth Hesketh	
Michaela Tweedley	
Ruairidh Roberts	
Martin Lovegrove	Retired 22 nd May 2020
Karen Blackiston	
Sophy Hazevoet	Appointed 17th October 2020

Company registered number

1897198

Charity registered number

291662

Registered Office

Highlands Farm, Woodchurch, Kent, TN26 3RJ

Secretary

Karen Blackiston

Chief Executive

Joanne Creighton

Senior Managers

Fiona Dodge	Head of Care
Susan Langford-Smith	Financial Controller
Ian Bolingbroke	Head of Estates
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 2021

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 2021.

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 a virtual 'away-day' meeting in October 2020 with the Senior Management Team to discuss and review the charity's strategic direction.

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

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

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

2.2 Trustee Election, Induction & Training

Trustees are elected or re-elected, as appropriate, by the votes of Full Members at the AGM. Induction for Trustees is arranged and co-ordinated on an individual basis. New 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. The most recent addition to the Board brings lived experience of COT as the sibling of a service user, along with extensive marketing and communications experience. As we seek to modernise communications following the pandemic, this knowledge will be invaluable.

The Board currently has one Trustee vacancy, with two existing roles up for re-election in October 2021. Recruitment priorities for the coming year will continue to include those with local authority or care commissioning experience or those currently active in adult social care at a senior level. In addition, we would welcome individuals with a grant-giving background to support COT's fundraising work, along with legal and commercial professionals to support the maximisation of financial returns from the RBC asset.

With both the current Chair and Chair of the Finance Committee due to come to the end of their 9-year tenures in October 2022, the main focus of recruitment activity in the year will be on the search for a replacement with expertise in charity chairmanship.

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.

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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.

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

2.4 Communications

The social distancing restrictions in force during the pandemic meant that face-to-face communications with stakeholders were severely disrupted during the year. Instead, alternative means were employed including regular email updates (alternating between the CEO and Chair), along with personal letters and video messages that received over 1,500 views. Whilst it is accepted that in-person contact will always be the most valuable mechanism, we will continue to utilise digital communications into the future in order to maximise reach to service users, staff and family members who are unable to attend physical meetings. In particular, we are keen to make greater use of more immediate forms of 'bite sized' and visual information, such as Instagram and Facebook, along with an overhaul of our printed magazine 'In Touch' to allow for more frequent and timely sharing of news.

In order to ensure that the lessons of the pandemic are shared and understood, the management team will be seeking feedback from key stakeholders in the coming months about their experiences of the Covid crisis at COT. Family Feedback Meetings will also be reinstated during the year. These sessions are an opportunity for the relatives of our service users to share their experiences of COT in an informal way and identify any areas of common concern. Attendees are updated on news from around the Trust, with details on financial performance and strategic developments. There is also the opportunity to ask questions and raise any issues of general interest.

Another casualty of the pandemic was the programme of regular, scheduled visits by the Trustees to meet service users and staff. The visits play a vital role in allowing Board Members to make connections and observe the day-to-day work of the charity. In order to maintain the links, selected groups have been invited to join the on-line Board Meetings that have taken place during the year. These discussions have highlighted the challenges faced by front-line staff and the limitations of 'one-size fits all' policy making for COT's many, varied services.

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3. RISK MANAGEMENT

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

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

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 currently facing COT include:

3.1 External Operating Environment

3.1.1 - Local Authority Funding

Adult social care funding has been under extreme pressure for a number of years and was identified as the top long-term pressure for councils in a 2020 Local Government Finance Survey. Although successive governments have attempted to bolster social care through a series of funding injections in the period 2017/18 – 2019/20, this has primarily been allocated to short-term measures including reducing winter pressures on the NHS and – most recently – Covid-19 infection control.

Little long-term benefit has accrued to organisations on the front line and the contract rates available for providers still fall far short of what is needed to meet the full costs of good quality care. In fact, overall spending on care by local authorities (excluding ring-fenced Covid-19 support) is down by 5% since 2009/10, despite growth in demand over same period.¹

Adults of a working age who require social care account for half of all local authority expenditure. As such, the area was a key target for planned savings of £700m across all local authority adult social care budgets in 2019/20. Around three-quarters of Directors of Adult Social Care claimed to be 'very' or 'fairly' pessimistic about state of the wider Health & Social Care economy at that time —and that was before the outbreak of the pandemic.

To help manage demand and control costs, local authority funders are increasingly looking to employ an 'asset-based commissioning' model for learning disabled adults requiring social care funding. This approach places far greater emphasis on encouraging independence and reducing the need for long-term support. Care packages are built around individuals, using assets that already exist in the community. Whilst new referrals are the principal target, it is unclear yet exactly what the impact of the new approach will be on those already within the social care system. We can assume, however, that downward pressure on contract rates will worsen and residential care vacancies will become harder to fill. The future of group residential homes for any but the most vulnerable learning disabled adults is uncertain. Organisations like COT will be increasingly required to minimise the funding gap for mild-to-moderate learning disability care. KCC's Market Position Statement 2021-26 states that there is an 'oversupply' of care homes in the county and, "there is a need to reduce and control the supply of lower-level services and fill the gaps [in more complex care]." It will therefore also be vital to mitigate the risk to the charity's commissioned income by continuing to review our business structure and pursuing a more even split between residential care and supported living provision. Where appropriate, financially viable opportunities present themselves, the Trust will continue to invest in new developments that can support greater independence for those who may benefit.

We recognise, however, that many of the individuals in the care of Canterbury Oast Trust will always need the support that a residential service provides. We know the true cost of providing a 'brighter life' for those who rely on our support - and we remain committed to meeting that challenge.

¹ Institute of Fiscal Studies

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In order to preserve the range and quality of care our service-users need, it will be necessary to get the best possible return from our commercial activities and make the strongest case for fundraising support.

3.1.2 The Political Landscape

The education of learning disabled adults of working age are not currently a national political priority. Instead, the emphasis for all parties is on addressing funding arrangements for elderly care (the headline manifesto pledge for the current Government was that, "No-one should have to sell their home to pay for their care"). With the ongoing absence of a Social Care White Paper—originally promised in 2017—it is reasonable to assume that priorities will not change in the foreseeable future. This means that our work to engage the community and raise the profile of learning disability is more and more crucial to help avoid the cause falling off of the welfare agenda. We have a key role to play in encouraging society to support and understand the contribution that adults with a learning disability can make.

It is still early days for Brexit, but a potential reduction in the supply of support workers from the EU and beyond (currently 17% of the total social care workforce) risks putting upward pressure on salaries within the UK care sector. With the growth in the National Living Wage having taken COT's annual operating deficit for Care accommodation services to over £250,000 in recent years, this is obviously a cause for concern.

3.1.3 The Tourism Sector

The UK economy relies heavily on tourism and it has been hit hard by the Covid-19 pandemic. Visit Britain's report, "*Helping the Tourism Industry Recover from Covid*" calculates that the Exchequer could lose at least £5.8bn in revenue from inbound spending alone in the current year. The only way to fill this gap, of course, is to promote domestic tourism—an area of opportunity for the Rare Breeds Centre. In addition to a likely increase in demand for days out or 'staycations', there is also an anticipated reduction in supply. With 67% of tourism businesses having no business interruption insurance cover for Covid-19, many attractions may fail if they cannot return to fully capacity for a second successive summer holiday period. When full recovery begins, it is expected that the 'Visiting Friends and Relatives' category of trips will be first to bounce back, as people reconnect after the lockdown period. It is most likely that day trippers and holiday makers will head for coastal and rural destinations, as nervousness about mixing in crowds continues. Indeed, ALVA research² shows that willingness to return to attractions is tempered with concern about safety, with 76% of people surveyed feeling anxious about using indoor attractions or amenities. As a largely open-air rural site, with an excellent track-record of safety during the pandemic, The Rare Breeds Centre has much in its favour. We will therefore need to ensure we capitalise on these advantages—along with the continued growth of population in the Ashford area—to secure a sustainable future for our tourism activities.

3.2 Operational Delivery

3.2.1 Recruitment

In March 2020 – before the impact of the global pandemic was felt – there were 112,000 vacancies in adult social care³. Although the equivalent statistics for the current year are awaited, we know that the Covid-19 crisis has exacerbated the problem. At COT – and we know our experience is common across the sector – we have experienced an increase in staff turnover due to anxieties about the pandemic, the early commencement of planned retirement and a general re-evaluation of life choices. In turn, recruitment has become extremely difficult, with the frequent need to advertise vacancies several times; the regular withdrawal of candidates when positions are offered; increasing need to pay for the services of recruitment agencies and block bookings of agency staff.

With Social Care already not the most popular or financially rewarding career choice, the sector's appeal has been further denuded by developments in other areas during the pandemic. With hospitality businesses struggling to fill their 355,000 vacancies (as individuals choose to move into retail for greater job security and many European staff head back to their home countries), this has led to increasing salaries in that sector.

² Attractions Recovery Tracker – Association of Leading Visitor Attractions

³ Skills for Care – '*The state of the adult social care sector and workforce in England*', Published October 2020

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Wages in the field of learning disability care (where it is not possible to subsidise depressed local authority fee rates with self-funders) cannot always compete with upward pressures elsewhere.

In the face of this challenge, the Trust recognises the importance of encouraging retention through opportunities for career development, an ongoing review of reward and recognition arrangements and further improvements to the welfare support available to staff (both internally via our central Training & Development Department and externally via our 'Healthshield' assistance scheme).

3.2.2 Technological Developments

The unrelenting digital revolution places a responsibility on COT to explore the ways in which we can use IT to add value to our work and further improve the care we offer. We have a particular responsibility to ensure that our service-users have the skills they need to stay safe online and to benefit fully from the advantages of e-communications. The enforced migration to online ways of working caused by the Covid-19 crisis has presented an exciting opportunity. Our service users, their families and our staff now have a level of confidence and experience that we can build on in the development of more ambitious digital projects.

Systems development remains a key priority for COT and – after some disruption caused by the pandemic – an ongoing systems integration review is taking place with the objective of streamlining processes, reducing duplication and achieving cost-efficiencies into the longer term.

3.3 Financial Management

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

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

The willingness to make difficult decisions is a key feature of the Trust's financial strategy, with closures of the popular but loss-making Coterie Tea Rooms during 2020, along with withdrawal of the unsustainable subsidised bus service for those attending our life skills services. Whilst such changes are inevitably challenging and upsetting in the short-term, we recognise the responsibility to balance the charity's history and ethos with its future financial security. As the parents of many of our service users continue to age, it is ever more important to ensure that COT is a constant and stable presence for our residents and tenants to rely on as long as they may need us.

The disruption caused by the pandemic has been used an opportunity in some cases to review aspects of our financial management at the operational level. In the ongoing search for efficiency and maximum value for money, our life skills timetables have been revised to help control staffing costs, the opening hours for the Rare Breeds Centre have been standardised across the year and the benefits of measures such as on-line bookings and card-only payments will be retained beyond the Covid crisis period.

3.4 Compliance

The work of COT is overseen by 14 different national regulators. In addition, we are required to remain compliant with increasingly challenging contracts for our care accommodation services and Life Skills programmes. Society is, thankfully, becoming more diverse and organisations must ensure that they are keeping pace with the necessary safeguards for equality and diversity, both for their clientele and their workforce. Society is also becoming more litigious, and significant resource is now required not only to comply with the demands of health and safety, data protection and environmental responsibility, but also to evidence and document that compliance, too.

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A key consequence of the pandemic has been an increase in insurance premiums and a reduction in the scope of cover. Significant work was required during the year to find a new insurer when cover for infectious diseases was withdrawn at the time of policy renewal. Whilst this situation was common across the care sector, it was a particular problem for COT, not just for our care services, but also in respect of the Rare Breeds Centre visitor attraction. With replacement cover now in place, the situation has offered an invaluable opportunity to work with a new insurer to review our risk-mitigation measures and seek positive feedback on our policies and procedures.

It is increasingly clear that an exemplary track-record of compliance monitoring will become a pre-requisite for organisations wishing to secure cover for the risks they face. COT recognises the requirement to be well-placed to address these challenges and threats.

Risks associated with safeguarding and the management of health & safety 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 Head of Estates provides bi-annual presentations of compliance in all areas relating to the regulation of the charity's built estate. There were no serious incidents that required a report to the Charity Commission during the year.

In order to build on the excellent foundation work of the fixed-term Safety and Compliance Officer (funded by a charitable trust from July 2019 to July 2020), COT engaged the services of Health & Safety and GDPR advisors during 2021. These individuals will work with the Trust on an ongoing basis to undertake regular audits, prepare action plans in partnership with service managers and provide support for implementation. The next key priority for the period 2021-22 is a restructure of our care accommodation management in order to free-up resource for more external scrutiny of quality and compliance in our care homes and supported living services. In preparation for this, two external infection control audits were commissioned during the year, with positive outcomes in both cases.

As part of a review of insurance cover for the Rare Breeds Centre, an external audit was commissioned in January 2021 to assess safety risks around the visitor attraction. Again, feedback was positive, with minor corrective actions recommended in relation to signage and fencing.

3.5 Governance

The Board of Trustees recognises that effective governance is the cornerstone to ensuring that the charity continues to be effective, accountable and sustainable. A key element of this responsibility is the setting of an appropriate strategic direction for the work of the Trust. During the year, the Board and senior management team took part in a strategic review in order to produce a new plan for the period 2021-2024. This resulted in the development of the '*Brighter Lives for Good Strategy*', along with a review and reworking of the Trust's Vision and Mission Statements. The new strategy was underpinned by a 3-year financial forecast and a review of the Trust's 'going concern' status following Covid-19.

Work continued during the year to address the recommendations arising from the external governance review that was completed by BHPR Associates in 2019. Although the pandemic restrictions limited progress in many areas of the Action Plan, work was undertaken to:

- improve linkages between the Board and staff,
- conduct a Board Impact Assessment Survey with Trustees and Management,
- strengthen the approach to management of strategic risks through development of the risk register; and
- improve reporting mechanisms for compliance reporting.

The removal of Covid-19 restrictions will pave the way for greater engagement with our external stakeholders and – in particular - allow us to consult on a formal communications strategy for families and Members in the coming year.

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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 168 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 2020/21, we sought to break down the barriers that are faced every day by adults with learning disability in regard to independence, learning and acceptance.

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

5. FINANCIAL PERFORMANCE

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

The Trust achieved an overall surplus of £1,257,538 in the financial year. This includes the gain on disposal of £830,449 from the sale of a freehold property.

Net movement in funds during the year was £1,257,538 (2020: £6,366) of which £1,278,189 (2020: -£7,045) was the movement on unrestricted funds. There were reserves of £9,540,224 (2020: £8,282,686) which includes £4.3m (2020: £4.5m) represented by fixed assets.

6. REVIEW OF ACTIVITIES

In the final year of the 'Brighter Lives' Strategy for the period 2015 -2021, COT celebrated the following achievements in pursuit of the 4 strategic goals that shaped our work:

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

The principle focus for the year was to ensure that our accommodation services remained free of Covid-19 and were safe places for our service users to be during lockdown. We are delighted to report that we have not experienced any cases among our service users and that our infection control measures have proven sufficiently robust and effective to date. There were times when maintaining this situation proved challenging. It was often necessary for management to chart a delicate course between adhering to the Government's strict Covid guidelines in relation to care home management and meeting the needs of service users and their families, especially in relation to personal contact.

The Trust carried 7 service user vacancies during the course of the year across our Ellis Drive, Bungalow, Farm View, Lockhart Place and Farm House services. In the interests of infection control, the decision was taken not to introduce new residents or tenants during the pandemic and so work to fill these places will commence when Covid restrictions are lifted.

During the lockdown period, the opportunity was taken to undertake external works to our care accommodation properties to improve the environment for outside visits. Key improvements included new paving, tarmacking and patio areas in several services, along with minor landscaping works and the erection of summer houses and gazebos.

Although the Trust did not receive any CQC inspections during the course of the year (so all services retain their 'Good' overall ratings), two external infection control audits were commissioned. With minor observations made with regards to record keeping and soft furnishings, the audits provided a reassuring ratification of the Trust's processes and procedures.

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With individual service user reviews suspended for Covid reasons, stakeholder feedback was captured more informally during the year and included the following comments:

- *"Thank you for looking after my brother - you are truly wonderful people x"*
- *"Thank you for looking after everyone so well."*
- *"You have brought us to tears with the latest update on the absolutely wonderful care that you are providing for [our son] and his many friends. The staff, at all levels, are doing some truly amazing things to keep them active, happy and - most of all - well. When you hear of the horror stories of homes throughout the country, we can only feel blessed to have everyone who is caring so magnificently for our off-spring through these unbelievable times."*
- *"Thank you so much for all you do for the residents, you are truly great people."*
- *"As a parent of one of the people that is fortunate enough to be in your care (and I mean that sincerely, our young man is very fortunate to be in your care) I would like to express our heartfelt thanks for everything that the trust is doing to keep everybody safe. I hope you understand just how comforting to us it is to know just how lucky we are not to have to worry about our young man's care and wellbeing. From day one the communication and actions taken have been the right ones. Thank you."*
- *"...whenever I phone, there's nothing but good vibes coming from both the carers and the residents. Thank you from the bottom of my heart for keeping them not only safe, but happy in these stressful times."*
- *"Well done all the staff. Amazingly our son is coping so very well. It can only be down to patience and ingenuity."*

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

Despite spending much of the year in strict lockdown measures our life skills services have continued in various forms, adapting along the way to maintain our social and learning provisions for so many individuals across Kent & East Sussex.

From April 2020 we began offering our life skills projects remotely to all students through cloud-based video conferencing. Much of the initial lockdown period was spent supporting students and their families with advice and resources to facilitate access to the new digital services.

Over the last year we continued to provide a life skills provision to 73 Canterbury Oast Trust residents and tenants and 84 external students.

During the height of the pandemic, our online life skills programme offered up to 47 lessons a week, to which students had open access, regardless of their pre-Covid programmes of study. In total, our life skills tutors delivered 1,728 hours of online lessons in the financial year, attended by up to 29 students per session.

This dynamic access to our online provisions has allowed students greater freedom to explore new lessons and activities. Our face-to-face programme has seen some permanent changes as students request to continue with their new-found interests and become rangers, artists and bakers.

Combined life skills activity packs were provided during the months in which was not possible to deliver face-to-face sessions. Packs included service updates, seasonal and themed recipes, craft ideas, seeds for planting and a calendar of daily celebrations.

Bespoke one-to-one support has been available throughout by phone or video conference. These sessions have ranged from a regular catch-up through to individualised programmes coordinated with external key workers.

The online sessions were a lifeline to some of our students. The regular and dependable timetables offered a structure and purpose to their days in lockdown. Coupled with this we sought to meet their need to stay in contact with their friends and peers.

In the periods when Covid restrictions were eased (between August to November 2020 and from April 2021 onwards) our Life skills projects adapted to facilitate many of our students to return as safely as possible to socially distanced face to face sessions.

CANTERBURY OAST TRUST TRUSTEES' REPORT FOR THE YEAR ENDING 31 MARCH 2021

By using a 'bubble' programme students who lived within the Trust were able to access 5 different services during the week safely with others from their own households.

By April 2021 we were able to condense our internal bubbles to free up some places for some of our external students to return to face to face sessions. Any risks presented by returning to face to face life skills was mitigated by life skills staff by intensive cleaning regimes, wearing of PPE and being part of a vaccination and regular testing programme.

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

Supporting our service users to feel part of their local community and make a positive contribution is an important aspect of our charitable mission. As such, the drive to create and nurture impactful engagement opportunities with the wider public underpins our work.

We recognised that during the period of necessary isolation and separation from local communities that it was still vital to uphold and develop our community engagement through the life skills projects. Remotely visiting many local attractions on our online lessons improved learning opportunities and offered diversity to the sessions. As part of our zoom sessions we remotely visited Wildwood, The Land Army Museum, Bedgebury Pinetum and the Ark Bakery. We continued our links with the local community by planting up 35 hanging baskets for Dymchurch Parish Council, supplying plants for Hamstreet community planters and donating some of our Poulton Wood Christmas trees to a local nursery school. By holding online events such as the Poulton Wood Virtual Cream Tea and our regular posts on social media we were able to keep in touch with our supporters and maximise fundraising opportunities.

In line with Government legislation, it was necessary to close the Rare Breeds Centre visitor attraction during the periods of full lockdown and Level 4 restrictions. In order to maintain contact with our young audiences during the closure, a special activity pack was developed, featuring creative input from a variety of local professional artists - many of whom gave their services for free. The pack showcased the connection between the RBC and Canterbury Oast Trust by promoting the hashtag #artofcaring.

In preparation for reopening when restrictions were eased in July 2020, a detailed Covid-Safe plan was implemented, including the installation of additional hand-washes at key locations, the creation of a new socially distanced entrance area and electrical infrastructure works to get power to the top of the site (to enable additional hot-water handwashing near our outdoor play areas). The electrical works, which were already in the longer-term plan and expedited in response to Covid-19, have provided additional benefits to our Plants and Produce life skills area. To reduce close social contact and cash handling, an online pre-booking system was introduced, with staggered arrivals throughout the day. Socially distanced 'meet the animals' and falconry experiences were developed, along with a 'take away-only' catering offer. As a result of these measures, we safely welcomed 30,286 visitors to the site after the first lockdown ended in the period 1st July to 31st December 2020, with a further attending from 12th April 2021 (when the Level 4 Restrictions were lifted) to 31st May 2021.

To ensure that Covid did not mean the cancellation of Christmas at the Rare Breeds Centre, our annual on-site Santa Special event was replaced by a series of on-line experiences, featuring Santa and his elfin helper. Up to 21 sessions were available each day, with gifts posted to the child's house in advance. This offer meant that 106 children were able to enjoy the magic of Christmas, despite the national restrictions.

It is the intention to retain some of the operational changes introduced during the pandemic (including on-line booking, staggered arrivals and digital check-in as cars arrive on the site. Early indications suggest that these changes are having a positive impact on both income and the ability to control staffing costs.

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Promoting the Work of COT

The Trust's work was promoted through a variety of different channels, including local radio, printed media (with regular advertising in targeted publications for families), through our websites (www.c-o-t.org.uk and www.rarebreeds.org.uk) and social media (Facebook: @rarebreedscentre, @cotcharity and @PoultonWood; Twitter: @COTcharity, @rarebreedsKent and @PoultonWood). We have doubled our COT Facebook followers to over 1,000 in the last year, with some of our posts now reaching over 4,000 people. Our social media proved to be a useful communication tool during lockdown and we saw increased engagement with our supporters on-line.

An awareness campaign on Facebook during Learning Disability Week in June was well received. The theme was "friendship" and in one post we spoke with Lisa, Tim and Rob, all tenants of COT, about what friendship means to them, Rob said:

"We've been friends for a long time. We've watched the news together. There's been lots on about the virus. It's been good to talk about it - it was a bit worrying at first. Being friends has helped me. We've been sharing lots. We've been playing games. We have a dart game - Lisa wins a lot! We've also been using the computer to go to life skills - today we were on a Poulton Wood session. We rely on each other. It means a lot to have friends."

During the year we issued a special "lockdown" photo edition of the magazine 'In Touch' – via which we communicate with families and supporters – this was welcome at a time when contact with loved ones was restricted.

Fundraising

With continuing financial pressures on adult social care funding it is fundraising which increasingly enables Canterbury Oast Trust to maintain our values and to provide the level of support we feel truly improves the lives of the people in our care – and their families. We aim to nurture a mix of fundraised income from individual one-off and regular donations, grant making trusts, legacy gifts and through the hard work of the Hitrade shop volunteers and the Friends of COT. Our fundraising also benefits from the community presence we hold through our Rare Breeds Centre – without our visitor attraction this level of community engagement would be hard won for our charity.

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

The families and friends of our service users continued to be the source of a significant percentage of our unrestricted donations for the financial year. During the year we received a number of extremely generous donations from family members with one exceptional gift totalling £100K. We have 75 dedicated supporters making regular donations and one-off gifts were received from 262 donors.

Several on-line participation events were arranged during the year, including a 'Ballgown Lockdown' fundraiser organised by a sibling of a tenant of COT (raising £1,000) and a 'virtual' Bluebell Cream Tea (raising £1,100). Our Problematic Pop Quiz team developed an on-line version of their quiz and hosted a number of successful events with corporate supporters.

A campaign via our Amazon wish list provided a wide range of garden games, board games, educational items and craft activities for our residents and tenants during lockdown which proved to be a huge moral boost. A further campaign at Christmas provided a "stocking" full of gifts for distribution within each our houses. We estimate the "in kind" value of donated items to be in excess of £5,000.

CANTERBURY OAST TRUST TRUSTEES' REPORT FOR THE YEAR ENDING 31 MARCH 2021

We were grateful to the following organisations for their generous support during 2020/21: Hitrade; Friends of COT; Crafting for Carers; Volunteer Riders UK; Lockhart Foundation; Civil Service Insurance Charity Fund; The Will Charitable Trust; The Mark Leonard Trust; Kent Minds; Fellfoot Charitable Trust; Masonic Charitable Trust; Province of East Kent Freemasons; Feathers Charitable Trust; Fellfoot Charitable Trust; Green Hall Foundation; Nona Doubleday Trust; Rotary Club of Sandwich; Rotary Club of Ashford; Kent Fire and Rescue Service; Strategic Dimensions Ltd; Sovereign Ltd; SAGA; Crown Products; Silcocks Farm Shop; GD Herbert Charitable Trust and the Gilbert Edgar Charitable Trust.

Hitrade (a charity shop in Sidcup raising funds for COT) supported the Trust with donations totalling £38,242 in the year, despite COVID restrictions forcing the closure of the shop for part of the year. These funds helped to support and maintain our life skills training programmes and to improve the enjoyment and comfort of our residents and tenants.

The Friends of COT have been unable to undertake fundraising activities since the beginning of March 2020, although minor donations from the sale of a number of items were made throughout the year. The Friends kindly purchased games, sports equipment and activity kits through the Amazon wish list amounting to approximately £2,300. A Christmas present was given to every resident and tenant of COT and an offer of a special Christmas grant based on £30 per person was made to each house. The Friends of COT look forward to resuming fundraising activities and to receiving grant applications in the coming year.

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

Despite the disruption caused by the Covid-19 pandemic at the beginning of April 2020, the Trust continued to support staff with their professional development throughout 2020/2021, with 14 delegates completing the Care Certificate, 6 delegates completing the Health and Social Care Diploma Level 2 and one delegate completing their Level 5 Diploma.

As a consequence of the pandemic, staff have had to adapt to new remote ways of working and learning. Online learning – including the use of videos and video conferencing – has been used to help staff to learn, communicate and gather remotely. Staff have benefited from a total of 958 e-learning modules in partnership with iHasco and Care Skills Academy. The Trust has also used materials produced by NHS, Skills for Care and PHE specifically for Covid-19 related topics such as donning and doffing PPE, self-administered testing and new infection prevention and control measures.

The health and wellbeing of staff has also been of paramount importance to the Trust in meeting its objective of retaining a dedicated workforce. At the very beginning of the first lockdown 'Welfare' calls were introduced for all staff whether they were continuing to work within the Care Accommodation services, working remotely from home or placed on Furlough Leave under the Government's new Job Retention Scheme. During the year more than 200 welfare calls were made offering guidance, support and a 'listening-ear' to staff. Staff were reminded of the Trust's Employee Assistance Program with Health Shield and sign-posted to various health and wellbeing support networks. Managers have also played a key role in employee welfare, by having regular 'check-ins' either face to face, by telephone or video conferencing.

Care staff turnover for the Financial Year 2020/2021 stood at 18.7%. There was a very slight increase on last year of 1.7% but it still remains significantly lower than the national average of 30.4% for social care organisations⁴

⁴ 'The State of Adult Social Care in England', Skills for Care, October 2020.

CANTERBURY OAST TRUST TRUSTEES' REPORT FOR THE YEAR ENDING 31 MARCH 2021

Volunteering

Sadly, the advent of the pandemic had a huge impact on the volunteering operations at the Trust. However, there were some areas where a few volunteers could safely work in between each lockdown, namely at Poulton Wood, Plants and Produce, RBC and the gardening group. Again, volunteers played a crucial role in enabling the Trust to re-open safely in the new Covid-19 secure era. During the last year, existing volunteers received welfare calls and were kept up to date with the planned re-opening of the RBC and Life Skills services following the numerous lockdowns. With the gradual re-opening of services at the Trust, there are currently 13 new volunteers going through the recruitment and induction process, including the Trust's online mandatory training program.

PLANS FOR THE FUTURE

In support of the 'Brighter Lives for Good' strategy for period 2021-24, the following strategic objectives will guide the work of the charity in the coming financial year:

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

- Reduce the operating deficit on care accommodation services
- Future-proof care accommodation services in line with changing service-user needs and local authority commissioning priorities
- Further improve Care Quality Commission (CQC) ratings in order to stimulate demand among service-users, families and commissioners and enhance donor appeal

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

- Achieve at least financial break-even on all Life Skills programmes
- Raise the profile of COT Life Skills provision as a preventative health care service
- Maximise opportunities for community participation

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

- Position RBC as a first choice visitor destination for families within a 60-minute drive time radius
- Generate at least £200K annual operating surplus from RBC operations (excluding Gift Aid on visitor admissions)
- Improve public awareness of links between RBC and COT

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

- Maintain annual staff turnover below 10%
- Minimise the impact of staff sickness absence
- Improve support and succession planning for key management roles
- Engage, support, train and retain a cohort of strategic volunteers

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

- Reduce central administrative overhead
- Implement IT transformation programme to improve connectivity and increase efficiency
- Improve compliance monitoring and reporting in all areas
- Improve stakeholder communications
- Increase our annual fundraising contribution
- Capture evidence of COT's impact for all direct and indirect beneficiaries

CANTERBURY OAST TRUST TRUSTEES' REPORT FOR THE YEAR ENDING 31 MARCH 2021

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 £1,282,455 as at 31st March 2021.

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 managers at CCLA have an ethical approach which has been assessed by the trustees as meeting and exceeding their requirements.

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 2021 the charity had total reserves of £9,540,224 (2020: £8,282,686) which includes £4.3m (2020: £4.5m) represented by fixed assets, £164,444 (2020: £315,000) designated funds and £1,533,684 restricted funds (2020: £1,554,335). Free reserves totalled £3,541,162 (2020: £1,915,265).

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

The policy of the Trustees is to maintain at least the minimum of cash reserves and working capital sufficient to meet known development plans, as well as the day-to-day needs of the Trust, whilst retaining a reserve to provide for the long term support of 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 has agreed to maintain cash reserves of 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 2020/21 the Trust had borrowed £253,850 and had £3,770,326 cash reserves. This represented 7.95 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.

CANTERBURY OAST TRUST TRUSTEES' REPORT FOR THE YEAR ENDING 31 MARCH 2021

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 ongoing Covid-19 pandemic on that assessment.

Although Covid-19 has had a significant impact on Canterbury Oast Trust's operations on a day to day basis, anticipated losses in the year 2020-21 were offset by the Job Retention Furlough Scheme, several large donations, reduced activity levels, postponed Estates works, lower than normal sickness absence and significant gains on our CCLA investment.

The Trustees have reviewed the financial statements for the group and charity in the light of this 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 2022 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 Trustees therefore do not consider that the impact of the Covid 19 pandemic will have a material impact on the charity's going concern status.

The charity is supporting the trading subsidiary during this period whilst its activities are impacted by the pandemic.

CAPITAL EXPENDITURE

In pursuit of the Trust's 4 charitable objectives, infrastructure investment continued across all our services in the year 2020-21, with £94,000 expended on capital projects including £26,000 on infrastructure improvements.

PENSIONS

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

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

CANTERBURY OAST TRUST TRUSTEES' REPORT FOR THE YEAR ENDING 31 MARCH 2021

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.

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 Saturday16th October 2021.....

APPROVAL

This report was approved by the Trustees on^{1st October}..... 2021 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 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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.

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.

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

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

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

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

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.

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Zoe Longstaff-Tyrrell (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor
Portland
25 High Street
Crawley
West Sussex, RH10 1BG
14 October 2021

CANTERBURY OAST TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and legacies	3	348,733	84,084	432,817	572,300
Charitable activities	4	5,123,898	-	5,123,898	5,973,047
Investments	5	1,065	1,838	2,903	2,369
Other income	7	1,325,849	-	1,325,849	-
Total income and endowments		6,799,545	85,922	6,885,467	6,547,716
<u>Expenditure on:</u>					
Raising funds	6	49,429	2,171	51,600	44,407
Charitable activities	8	5,717,614	104,402	5,822,016	6,489,305
Other	10	5,521	-	5,521	7,335
Total expenditure		5,772,564	106,573	5,879,137	6,541,047
Net (loss)/gain on investments	15	251,208	-	251,208	(303)
Net income/(expenditure) for the year/ Net movement in funds		1,278,189	(20,651)	1,257,538	6,366
Fund balances at 1 April		6,728,351	1,554,335	8,282,686	8,276,320
Fund balances at 31 March		8,006,540	1,533,684	9,540,224	8,282,686

CANTERBURY OAST TRUST

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14	4,300,934		4,498,086	
Investments	15	1,306,555		1,056,347	
		<u>5,607,489</u>		<u>5,554,433</u>	
Current assets					
Stocks	16	55,934		62,259	
Debtors	17	967,637		843,721	
Cash at bank and in hand		3,770,326		2,636,279	
		<u>4,793,897</u>		<u>3,542,259</u>	
Creditors: amounts falling due within one year	18	(643,264)		(565,894)	
Net current assets		<u>4,150,633</u>		<u>2,976,365</u>	
Total assets less current liabilities		<u>9,758,122</u>		<u>8,530,798</u>	
Creditors: amounts falling due after more than one year	20	(217,898)		(248,112)	
Net assets		<u>9,540,224</u>		<u>8,282,686</u>	
Income funds					
Restricted funds	24	1,533,684		1,554,335	
<u>Unrestricted funds</u>					
Designated funds	25	164,444		315,000	
General unrestricted funds		<u>7,842,096</u>		<u>6,413,351</u>	
		<u>8,006,540</u>		<u>6,728,351</u>	
		<u>9,540,224</u>		<u>8,282,686</u>	

The financial statements were approved by the Trustees on ..01/10/21.....



Russell Walters, Chairman
Trustee

Company Registration No. 01897198

CANTERBURY OAST TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	28		349,862		726,803
Interest payable	10		(5,521)		(7,335)
			<u>344,341</u>		<u>719,468</u>
Investing activities					
Purchase of tangible fixed assets		(94,347)		(303,123)	
Proceeds on disposal of tangible fixed assets		910,364		7,758	
Receipts from repayment of loans from trading subsidiary		1,000		1,000	
Interest received		2,903		2,369	
		<u>819,920</u>		<u>(291,996)</u>	
Net cash generated from/(used in) investing activities					
			819,920		(291,996)
Financing activities					
Repayment of bank loans		(30,214)		(30,819)	
		<u>(30,214)</u>		<u>(30,819)</u>	
Net cash used in financing activities					
			(30,214)		(30,819)
Net increase in cash and cash equivalents					
			<u>1,134,047</u>		<u>396,653</u>
Cash and cash equivalents at beginning of year			2,636,279		2,239,626
			<u>3,770,326</u>		<u>2,636,279</u>
Cash and cash equivalents at end of year					
			<u><u>3,770,326</u></u>		<u><u>2,636,279</u></u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

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

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

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

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

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

1.3 Charitable funds

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

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

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

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

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.4 Income

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

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

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

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

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

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

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

1.5 Expenditure

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

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

1.6 Tangible fixed assets

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

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

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

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

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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

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

1.7 Fixed asset investments

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

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

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

1.8 Impairment of fixed assets

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

1.9 Stocks

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

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

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

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

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

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.12 Taxation

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

1.13 Employee benefits

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

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

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

1.14 Retirement benefits

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

1.15 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 15.

1.17 Government grants

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

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

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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 2021 £	Total 2020 £
Donations and gifts (see below)	325,598	84,084	409,682	418,593
Legacies receivable	20,015	-	20,015	150,827
Market value of pro-bono funding	3,120	-	3,120	2,880
	<u>348,733</u>	<u>84,084</u>	<u>432,817</u>	<u>572,300</u>
For the year ended 31 March 2020	<u>359,644</u>	<u>212,656</u>		
Donations and gifts				
Grants	-	38,242	38,242	85,843
Individual gifts	304,811	30,482	335,293	259,874
Charitable foundations	3,350	14,000	17,350	62,619
Corporate donors	17,437	1,360	18,797	10,257
	<u>325,598</u>	<u>84,084</u>	<u>409,682</u>	<u>418,593</u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Care and life skills	Social enterprise groups	Unrestricted Total 2021	Unrestricted Total 2020
	£	£	£	£
Income by charitable activities	4,750,248	373,650	5,123,898	5,973,047

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

Included within social enterprises income are amounts totalling £25,000 (2020: £Nil) from Ashford Borough Council in the form of a grant in respect of the impact of COVID-19. There are no unfulfilled conditions or other contingencies attached to the grant.

5 Investments

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Interest receivable	1,065	1,838	2,903	2,369
For the year ended 31 March 2020	1,849	520		

6 Raising funds

	Unrestricted funds	Restricted funds	Unrestricted Total 2021	Unrestricted Total 2020
	£	£	£	£
Fundraising and publicity				
Advertising	9,365	2,171	11,536	-
Staff costs	40,064	-	40,064	44,154
Depreciation and impairment	-	-	-	253
	49,429	2,171	51,600	44,407

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Other income

	2021	2020
	£	£
Net gain on disposal of tangible fixed assets	830,449	-
Grants received	495,400	-
	<u>1,325,849</u>	<u>-</u>

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

8 Charitable activities

	Care and life skills	Social enterprise groups	Total 2021	Total 2020
	£	£	£	£
Staff costs	3,150,039	557,460	3,707,499	3,884,472
Depreciation and impairment	133,259	67,526	200,785	192,721
Purchases	151,916	104,979	256,895	509,819
Utility and telephone costs	156,365	22,900	179,265	209,470
Vehicle costs	38,463	13,555	52,018	93,858
Insurance	80,598	24,742	105,340	99,483
Repairs and maintenance	216,207	79,454	295,661	374,774
Bank charges	-	16,865	16,865	-
Advertising	-	11,977	11,977	48,093
Miscellaneous	4,141	13,479	17,620	37,436
(Profit) / Loss on sale of fixed assets	-	-	-	(119)
Postage and stationery	6,899	3,943	10,842	13,333
	<u>3,937,887</u>	<u>916,880</u>	<u>4,854,767</u>	<u>5,463,340</u>
Share of support costs (see note 9)	796,232	106,812	903,044	960,394
Share of governance costs (see note 9)	56,481	7,724	64,205	65,571
	<u>4,790,600</u>	<u>1,031,416</u>	<u>5,822,016</u>	<u>6,489,305</u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities (Continued)

	Care and life skills	Social enterprise groups	Total 2021	Total 2020
	£	£	£	£
Analysis by fund				
Unrestricted funds	4,728,962	988,652	5,717,614	
Restricted funds	61,638	42,764	104,402	
	<u>4,790,600</u>	<u>1,031,416</u>	<u>5,822,016</u>	
For the year ended 31 March 2020				
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>

9 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Staff costs	739,530	55,664	795,194	761,504
Depreciation	10,799	-	10,799	9,998
Other costs	85,217	-	85,217	155,645
Professional	27,280	5,513	32,793	23,939
Telephone	16,788	1,264	18,052	23,649
Postage and stationery	19,313	1,454	20,767	26,912
Bank charges	4,117	310	4,427	24,318
	<u>903,044</u>	<u>64,205</u>	<u>967,249</u>	<u>1,025,965</u>

All support and governance costs are attributable to charitable activities.

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

10 Other expenditure

	Unrestricted	
	Total 2021	Total 2020
	£	£
Bank interest paid	5,521	7,335
	<u>5,521</u>	<u>7,335</u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Net movement in funds	2021	2020
	£	£
Net movement in funds is stated after charging/(crediting)		
Government grants	(495,400)	-
Audit of the financial statements of the company	17,250	16,000
Fees payable to the company's auditor for non-audit services	5,900	3,200
Depreciation of owned tangible fixed assets	211,584	204,551
Profit on disposal of tangible fixed assets	(830,449)	(1,698)
Operating lease charges	1,247	1,248
	<u> </u>	<u> </u>

12 Employees

Number of employees

The average monthly number employees during the year was:

	2021	2020
	Number	Number
Support and resident services	143	167
Administration	16	15
Commercial, marketing and appeals	52	55
	<u> </u>	<u> </u>
	211	237
	<u> </u>	<u> </u>

Employment costs

	2021	2020
	£	£
Wages and salaries	3,873,944	4,038,580
Social security costs	305,523	305,453
Other pension costs	81,403	84,516
	<u> </u>	<u> </u>
	4,260,870	4,428,549
	<u> </u>	<u> </u>

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

	2021	2020
	Number	Number
£60,001 - £70,000	-	1
£70,001 - £80,000	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 pension and national insurance contributions of the key management personnel was £86,586 (2020: £78,009).

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 £81,403 (2020: £84,516).

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2020: nil).

During the year nil (2020: 2) trustees received reimbursement of travel expenses amounting to £nil (2020: £818).

14 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	5,792,111	789,923	296,240	6,878,274
Additions	26,047	68,300	-	94,347
Disposals	(175,000)	(51,894)	(5,000)	(231,894)
At 31 March 2021	5,643,158	806,329	291,240	6,740,727
Depreciation and impairment				
At 1 April 2020	1,610,182	558,722	211,284	2,380,188
Depreciation charged in the year	111,833	66,864	32,887	211,584
Eliminated in respect of disposals	(95,083)	(51,896)	(5,000)	(151,979)
At 31 March 2021	1,626,932	573,690	239,171	2,439,793
Carrying amount				
At 31 March 2021	4,016,226	232,639	52,069	4,300,934
At 31 March 2020	4,181,929	231,201	84,956	4,498,086

Included in land and buildings is freehold land at cost of £100,000 (2020: £100,000) which is not depreciated.

Land and buildings pre-dating 1993 are carried at the lower of cost and open market value based on a professional valuation obtained on 13 July 1993 by Edward Symons, Chartered Surveyors. Subsequent additions are valued at cost. Freehold property primarily consists of properties from which the charitable activities of the Trust are undertaken, some of these properties are especially adapted for providing care services or are unusual in nature (Rare Breeds Centre) and the market value of these properties is not readily available. The insurance cost of rebuilding all the properties is estimated at £21.5m (2020: £20m). 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.

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

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Fixed asset investments

	Unlisted investments £	Other investments £	Total £
Cost or valuation			
At 1 April 2020	1,031,247	25,100	1,056,347
Unrealised gains	251,208	-	251,208
	<u>1,282,455</u>	<u>25,100</u>	<u>1,307,555</u>
At 31 March 2021	1,282,455	25,100	1,307,555
	<u>1,282,455</u>	<u>25,100</u>	<u>1,307,555</u>
Impairment			
At 1 April 2020	-	-	-
Repayments	-	1,000	1,000
	<u>-</u>	<u>1,000</u>	<u>1,000</u>
At 31 March 2021	-	1,000	1,000
	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Carrying amount			
At 31 March 2021	1,282,455	24,100	1,306,555
	<u>1,282,455</u>	<u>24,100</u>	<u>1,306,555</u>
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>

	2021 £	2020 £
Other investments comprise:		
Investments in subsidiaries	100	100
Loans to subsidiaries	24,000	25,000
	<u>24,100</u>	<u>25,100</u>
	<u>24,100</u>	<u>25,100</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.

16 Stocks	2021 £	2020 £
Goods for resale	55,934	62,259
	<u>55,934</u>	<u>62,259</u>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	764,233	436,891
Amounts due from fellow group undertakings	22,316	1,222
Other debtors	11,405	240,036
Prepayments and accrued income	169,683	165,572
	<u>967,637</u>	<u>843,721</u>

18 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans	21	35,952	35,952
Trade creditors		62,094	64,625
Other taxation and social security		83,706	86,776
Other creditors		36,122	61,556
Accruals and deferred income		425,390	316,985
		<u>643,264</u>	<u>565,894</u>

Included in other creditors are amounts totalling £15,859 (2020: £17,094) in respect of outstanding pension contributions.

19 Deferred income

Deferred income is included in the financial statements as follows:

	2021	2020
	£	£
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.

20 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£	£
Bank loans	21	217,898	248,112

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

21 Borrowings

	2021 £	2020 £
Bank loans	253,850	284,064
Payable within one year	35,952	35,952
Payable after one year	217,898	248,112
Amounts included above which fall due after five years:		
Payable by instalments	110,042	140,256

The bank loans are repayable in equal instalments and are scheduled to be repaid within 8 years of the balance sheet date. The loans are subject to an interest rate of 1.75% to 2% over base rate.

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

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

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

22 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value	1,282,455	1,031,247

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

23 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2021 are represented by:			
Tangible assets	3,083,059	1,217,875	4,300,934
Investments	1,306,555	-	1,306,555
Net current assets	3,834,824	315,809	4,150,633
Long term liabilities	(217,898)	-	(217,898)
	<u>8,006,540</u>	<u>1,533,684</u>	<u>9,540,224</u>
	<u><u>8,006,540</u></u>	<u><u>1,533,684</u></u>	<u><u>9,540,224</u></u>
Previous year			
	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>

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

24 Restricted funds

Movement on restricted funds is as follows:

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

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

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

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

24 Restricted funds (Continued)

Restricted funds - fixed assets

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

Previous year

	Balance at 1 April 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 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 2021

25 Designated and Unrestricted funds

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

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

In the prior year the Trustees had set aside funds totalling £315,000 from the unrestricted general fund into a designated fund called "The Rare Breeds Centre development fund". In the current year, £150,556 was spent from The Rare Breeds Centre Development fund . It is anticipated that these funds will continue to be used for further development of The Rare Breeds Centre over the coming year.

	Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2019 £	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 had set aside funds totalling £316,933 from the unrestricted general fund into a designated fund called the "Farmview development fund". It was intended that the funds would be used for the further development and expansion of services for adults with learning disabilities. The funds were spent in conjunction with the restricted funds received from The Lockhart Foundation held in the Woodchurch restricted fund. In the prior 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 had set aside funds totalling £100,000 from the unrestricted general fund into a designated fund called "The Rare Breeds Centre development fund". In the prior year, £100,000 was spent. At the year end, the Trustees had set aside funds totalling £315,000 from the unrestricted general fund into a designated fund called "The Rare Breed Centre development fund". It was intended that these funds would be used for the further development of The Rare Breed Centre over the current year.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

26 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:

	2021 £	2020 £
Within one year	-	1,247
	<hr/>	<hr/>
	-	1,247
	<hr/> <hr/>	<hr/> <hr/>

27 Related party transactions

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

	2021 £	2020 £
Management charge	1,744	4,585
Interest charged on loan	876	910
Payments made on behalf of COT Trading Limited	18,474	-

There are no other trading activities between the entities during the year. At the year end £22,316 (2020: £1,222) was owed from COT Trading Limited and is included in note 17. Included within investments is £24,100 (2020: £25,100) which is due from COT Trading Limited.

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

For the year ended 31 March 2021 COT Trading Limited had a turnover of £21,960 (2020: £135,710) and made a net loss of £23,804 (2020: £3,018) and made a distribution of £nil (2020: £nil). The net liabilities of COT Trading Limited as at 31 March 2021 were £26,722 (2020: £2,918). The company has an unsecured loan of £24,000 (2020: £25,000), 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% (2020: 3.5%) per annum.

CANTERBURY OAST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

28 Cash generated from operations	2021	2020
	£	£
Surplus for the year	1,257,538	6,366
Adjustments for:		
Investment income recognised in income & expenditure	(2,903)	(2,369)
Interest payable	5,521	7,335
Gain on disposal of tangible fixed assets	(830,449)	(1,698)
Unrestricted gain on investments	(251,208)	303
Depreciation of tangible fixed assets	211,584	204,551
Movements in working capital:		
Decrease in stocks	6,325	13,119
(Increase)/decrease in debtors	(123,916)	553,804
Increase/(decrease) in creditors	77,370	(54,608)
Cash generated from operations	349,862	726,803
