

REGISTERED COMPANY NUMBER: 02561611 (England and Wales)
REGISTERED CHARITY NUMBER: 1003675

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE CHILDREN'S ADVENTURE FARM TRUST LTD**

DTE Business Advisers Limited
Chartered Accountants
Statutory Auditors
The Exchange
5 Bank Street
Bury
BL9 0DN

THE CHILDREN'S ADVENTURE FARM TRUST LTD

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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THE CHILDREN'S ADVENTURE FARM TRUST LTD

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The unprecedented events of 2020 have been devastating for charities, with many being forced to suspend - or in some cases, permanently terminate their services. I'm so pleased to be able to report to you today that The Children's Adventure Farm Trust Ltd (CAFT) has continued to have a positive impact on the lives of children from our region - we are still here.

For the first time in our 30 year history, we were forced to temporarily close our doors in March when the first lockdown was announced. A decision which was obviously devastating, but also the simplest we've ever made - keeping children safe always has been our priority, and it was the right thing to do.

2020 was set to be a record-breaking year for our charity in terms of both numbers of beneficiaries and fundraising and so the decision to halt operations was a difficult one. Up until that point we had provided activities for 700 children during our Free Holiday and Day Visit Programmes, and we were on track to hit our target of helping in the region of 5,500 children before the end of the year.

The Board took the difficult decision to place the majority of our staff on furlough leave in order to protect the future of the charity. We were painfully aware that fundraising would be severely impacted so it was imperative that we safeguarded our reserves as much as possible for when services could once again resume. Essential tasks such as animal care and facilities/land maintenance were sustained by a small number of staff and a legion of volunteers.

As soon as restrictions on outdoor activities permitted, we began to offer individual families the opportunity to spend a couple of hours enjoying the fun of the Farm whilst remaining socially distanced from each other - and the Families Outdoors Programme was born. Each of these sessions saw families enjoying outdoor activities at three separate areas (animals, adventure playground and the woods). Three families were separately able to enjoy each session meaning we were able to help up to 15 families per day. By following a 'rotation' system they remained socially distanced from each other thereby, keeping our precious families, staff and volunteers safe at all times. A total of 1,109 families enjoyed one of these fantastic day visits in 2020 - that's 3,057 children.

We were able to use this new model in order to ensure our Christmas Party Programme could go ahead, and again we learned so many great lessons that will have a positive impact on our services going forward. Our festive programme has always centred mainly on indoor activities, but we were amazed at how magical a Christmas outdoors could be. We turned our woods into a Woodland Winter Wonderland, adorned with thousands of twinkling fairy lights, creating a Lapland-style experience for 1,924 children.

It's here that I must give special thanks to our amazing volunteers, without whom 2020 would have been a completely different story for CAFT. An army of people who have given up their time freely in order that we could continue to support families in desperate need of respite from lockdown. Our volunteers stepped up in so many ways, helping us to both run these essential day visits, but also to create amazing outdoor spaces and activities which will benefit children for many years to come.

My focus in this report reflects our charity's commitment to always keep the welfare and wellbeing of the children as our priority, but it is also important that I address the impact that COVID has had on fundraising, without which we would simply cease to exist. In 2020 we were forced to cancel many of our flagship events, sponsored challenges and community events. Fundraising from Trusts, Corporate supporters and individuals was also halted meaning that by the time our fundraising staff returned (part time) in November, we estimate that we had lost around £450,000 in income.

Sadly this trend is set to continue in 2021. Whilst we are hopeful that one or two of our events may be able to go ahead, we are painfully aware that ticketed events for large numbers may remain out of the question for some time. Many of our corporate supporters continue to have a difficult time financially, meaning their charitable support will be significantly reduced, and in many cases not possible at all.

However, we remain positive and our plans for 2021 are no less ambitious than in previous years. We are hopeful that restrictions on group visits will ease as the government's roadmap to recovery progresses. As the world starts to return to 'normal' once again we hope to be able to reinstate our Holiday programme for families, and hopefully groups in late Summer/early Autumn. Until then we will continue to provide the outdoor family visits we know were a life-saver to many families in 2020.

THE CHILDREN'S ADVENTURE FARM TRUST LTD

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

As soon as we are able, our Holiday programmes will resume, but that will not be the end of the Families Outdoors Programme as it has proved such a huge success. We will weave this wonderful new programme into our annual activities, increasing the numbers of children who could potentially benefit from our facilities at any one time.

We achieved so much more in 2020 than any of us could have dreamed possible, with 5,679 children visiting us for some much-needed fun. A huge achievement when you consider the impact COVID has had on us all.

I would like to take this opportunity to thank our wonderful staff whose commitment to the charity has never wavered, despite us being in the most challenging of times. A huge thank you must also go to our supporters, who have put aside their personal difficulties to help us to continue to provide life-changing opportunities to children who are living daily with so much pain, stress and loss. Together we make a difference.

Mike Bulcock
Chairman

THE CHILDREN'S ADVENTURE FARM TRUST LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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 (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Children's Adventure Farm Trust Ltd (CAFT or the Farm) exists to provide free holidays and recreational facilities to disadvantaged children and, where necessary, their families, in the North West of England and bordering counties. These activities are largely carried out from the Charity's site at Booth Bank Farm, near Altrincham, but also include day trips and events at other nearby places. The children who come have life limiting conditions, chronic sickness, and disabilities or will come from extremely impoverished backgrounds. This enables them to have amazing holidays and activity days at our wonderful premises. The Charity hopes that each child visitor will benefit by developing their own physical, mental and spiritual capabilities, as well as improve their overall condition of life.

As in previous years, the Trust is financed by a combination of donations from other charitable trusts, grant making bodies, fundraising and sponsored events, corporate organisations, individuals and community groups.

The charity has been extremely successful in attracting companies to undertake team builds on the Farm. This has resulted in a large amount of maintenance and renewal work that has been completed at no cost to the Trust.

Public benefit

The Trustees have considered Charity Commission guidance on public benefit in Section 17 of the Charities Act 2011. By fulfilling its objectives to provide holidays and other recreational activities to children disadvantaged through illness, disability, poverty or other emotional needs, the Trustees consider the charity is indeed providing a public benefit.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

STRATEGIC REPORT

Achievement and performance

Fundraising activities

The charity is committed to delivering a varied programme of successful fundraising events and activities, that help raise vital funds needed to provide holidays, days trips and special events for disadvantaged children. During 2020 we were unfortunately unable to go ahead with many of our face-to-face events but managed nonetheless to arrange a range of virtual events to keep fundraising at an acceptable level. We hope that 2021 will allow us to return to face-to-face events, but the success of virtual events has given us another valuable fundraising option, and we will therefore continue to offer some virtual events in our calendar. We aim to provide our supporters with a wide range of opportunities to support our cause, including flagship events, sporting and other challenges with upcoming treks and a tuk-tuk challenge already in our calendar for 2021 and 2022. We also offer options for corporate and individual supporters to provide regular support to help us provide our services and have a charity shop in Knutsford which helps raise our profile in the local area.

Our team of fundraisers take pride in the relationships built with our committed supporter base, and ensure strong stewardship remains in place throughout. As members of the Fundraising Regulator, our team take all measures to increase public trust in the sector and ensure we remain transparent through all our work, following best practice as outlined in the Institute of Fundraising Code of Practice. Our charity has also signed up to receiving suppressions under the Fundraising Preference Service and is delighted that to date no requests have been made.

Our approach to fundraising is monitored by our Board of Trustees through effective reporting, which evaluates the success of different income sources, and identifies areas for review. CAFT is committed to strengthening the oversight and assurance of those fundraising on the charity's behalf, to ensure information on best practice is readily available to our supporters, as well as identifying further potential to increase income generation.

As an organisation, CAFT prides itself on the safeguarding of not only all of the children that visit but also all of our staff, volunteers and those supporting our work. The charity does not engage agencies or third parties to deliver face-to-face, telephone or other direct marketing campaigns, and is committed to protecting the information and data of everyone we come into contact with, and recognise that this needs to be kept safe. We never give or sell any data or information to other charities or companies, and pride ourselves on sharing timely, meaningful information with those who are happy to learn more from ourselves.

Financial review

Financial position

The total incoming resources for the year were £1,048,571 (2019: £1,138,215) whilst expenditure amounted to £954,168 (2019: £1,232,771), producing a surplus of £94,403 (2019: net deficit of £94,556) for the year. At the end of the year, the Trust had net assets of £1.5m (2019: £1.4m), of which £776,227 (2019: £653,155) was held in liquid funds, sufficient to meet the Trustees' target of at least six months working capital and a sound base on which to continually grow our reach to deserving children throughout our region.

Our events programme was expected to continue to be a major source of income, but due to the impact of Covid, we were forced to cancel many events. Despite this, with the continued support provided by way of donations and time, and from the support of the governments furlough scheme we have been able to cover costs.

The results for the year are shown in the Statement of Financial Activities on page 13.

THE CHILDREN'S ADVENTURE FARM TRUST LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT

Financial review

Investment policy and objectives

The Trust would only invest surplus funds (those available in excess of that required by on-going working capital requirements) in such investment vehicles as decided by the Board, or by one or more Trustees and the Chief Executive operating with the approval of the Board, in respect of these matters.

Funds will only be invested in recognised vehicles, such as deposit accounts, bonds, Money Market accounts and so on operated by a major clearing bank, merchant bank or established investment company and at all times care will be taken to ensure that the return received by the Charity on such investment is the best possible available, taking into account the requirement to draw down such funds, at the time of the investment. Professional advice will be taken as required to ensure that this return is maximised.

Reserves policy

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure.

The Trustees believe that there should be access to at least six months working capital. With our continued growth this will require an increase in our capital base beyond the present minimum of c£500,000. We have achieved this figure and work to maintain it whilst at the same time continuing and improving the service that we provide.

The on-going plan indicates steady income flows each year, reflecting the continuous recruitment and training of a dedicated fundraising team. We own our property outright, which is valued in excess of £1,000,000. The Trustees review the reserves policy each year at the Annual General Meeting. In line with all charities the Covid 19 pandemic has had a big impact on activities at CAFT and as a result it is the trustee's intention to constantly review all reserves to ensure we have sufficient funds to operate normally.

Future plans

There is a huge and increasing need for the services we offer, even more so after recent events, and we make a real and meaningful difference to every child and family who visit CAFT.

During 2020, the Trustees and senior management carried out a reorganisation of staffing and a further review of our facilities. From this we have implemented a programme of changes and improvements to existing facilities, an exciting programme of new activities and facilities, along with continuing to explore options for future developments, all of which will allow us to fulfil our three year strategy to increase the number of children able access to our services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is a company limited by guarantee, governed by its memorandum and articles, with no share capital, and is a registered charity. The Directors of the company are its only members and are also its Trustees for the purposes of charity law. Details of the amounts guaranteed by members are given in note 1 to the accounts.

Recruitment and appointment of new trustees

New Directors may be appointed by the passing of an ordinary resolution of the Company's members in general meeting. On appointment, any new Director would become a Trustee and member of the Company.

The Directors may also invite applications for new members in such form as they decide but would only do so if they considered it would benefit the future activities of the charity.

Organisational structure

The board of trustees administers the charity and meets at least quarterly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and operational activities.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New Trustees undergo an orientation day to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Key management remuneration

The Trustees are actively involved in overseeing the charity's activities and meet on a regular basis throughout the year.

None of the Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a trustee or senior manager of the Charity with a supplier of goods or services to the Trust must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Bookkeeping, payroll and accounting services are provided by MBL (Business and Tax Advisers) Limited in which one of the Trustees is a director. Fees for this work amounted to £5,874 in the year ended 31 December 2020 (2019: £4,922) (see note 10).

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the annual review; and the establishment of policies, systems and procedures to mitigate those risks identified in the charity should those risks materialise.
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is a financial risk for the charity. The Trustees regularly review cashflow, forecast revenue and costs and liquidity.

Attention is also focused on non-financial risks arising from fire, health and safety of visitors to CAFT as well as management of food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas.

Our volunteers

CAFT works closely in the community and also relies on voluntary help. We have a large number of volunteers who assist with jobs around our land and buildings, sorting and selling donated stock at our charity shop in Knutsford, stewarding events and activities, enabling longer opening and lower staff costs than would otherwise be the case. We wish to thank all our volunteers for their loyal support and generosity.

THE CHILDREN'S ADVENTURE FARM TRUST LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02561611 (England and Wales)

Registered Charity number

1003675

Registered office

Booth Bank Farm
Reddy Lane
Millington
Cheshire
WA14 3RE

Trustees

Michael J Bulcock
Eleanor Pugh
Jayne Worrall - appointed during the year
Nicholas P Montague - resigned during the year

Auditors

DTE Business Advisers Limited
Chartered Accountants
The Exchange
5 Bank Street
Bury
BL9 0DN

Senior management

Ian Eccles - Chief Executive

Bankers

Natwest Bank plc

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Children's Adventure Farm Trust Ltd for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

THE CHILDREN'S ADVENTURE FARM TRUST LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The auditors, DTE Business Advisers Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:

.....
M J Bulcock - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE CHILDREN'S ADVENTURE FARM TRUST LTD

Opinion

We have audited the financial statements of The Children's Adventure Farm Trust Ltd (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 (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 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE CHILDREN'S ADVENTURE FARM TRUST LTD**

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 Report of the Trustees.

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, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE CHILDREN'S ADVENTURE FARM TRUST LTD

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: Charities SORP (FRS 102), Companies Act 2006, Charities Act 2016, and health and safety legislation.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Performing walkthrough tests of income and expenses to ensure that appropriate controls and segregation of duties are in place.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to depreciation.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines for evidence of management bias.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the trustees minutes for discussions of irregularities including fraud.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE CHILDREN'S ADVENTURE FARM TRUST LTD**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the entity.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lesley A Haresnape (Senior Statutory Auditor)
for and on behalf of DTE Business Advisers Limited
Chartered Accountants
Statutory Auditors
The Exchange
5 Bank Street
Bury
BL9 0DN

Date:

THE CHILDREN'S ADVENTURE FARM TRUST LTD

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	455,825	180,683	636,508	776,347
Other trading activities	4	173,243	-	173,243	361,018
Investment income	5	389	-	389	850
Other income		238,431	-	238,431	-
Total		867,888	180,683	1,048,571	1,138,215
EXPENDITURE ON					
Raising funds	6	350,263	-	350,263	410,121
Charitable activities	7				
Provision of holidays and related activities		564,714	39,191	603,905	822,650
Total		914,977	39,191	954,168	1,232,771
NET INCOME/(EXPENDITURE)		(47,089)	141,492	94,403	(94,556)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,335,568	45,475	1,381,043	1,475,599
TOTAL FUNDS CARRIED FORWARD		1,288,479	186,967	1,475,446	1,381,043

The notes form part of these financial statements

THE CHILDREN'S ADVENTURE FARM TRUST LTD

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	13	730,392	-	730,392	761,594
CURRENT ASSETS					
Stocks	14	6,400	-	6,400	1,120
Debtors	15	8,481	-	8,481	23,331
Cash at bank and in hand		573,489	202,738	776,227	653,155
		588,370	202,738	791,108	677,606
CREDITORS					
Amounts falling due within one year	16	(30,283)	(15,771)	(46,054)	(58,157)
NET CURRENT ASSETS		558,087	186,967	745,054	619,449
TOTAL ASSETS LESS CURRENT LIABILITIES		1,288,479	186,967	1,475,446	1,381,043
NET ASSETS		1,288,479	186,967	1,475,446	1,381,043
FUNDS	17				
Unrestricted funds				1,288,479	1,335,568
Restricted funds				186,967	45,475
TOTAL FUNDS				1,475,446	1,381,043

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
M J Bulcock - Trustee

The notes form part of these financial statements

THE CHILDREN'S ADVENTURE FARM TRUST LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>130,683</u>	<u>(30,179)</u>
Net cash provided by/(used in) operating activities		<u>130,683</u>	<u>(30,179)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(9,000)	(38,918)
Sale of tangible fixed assets		1,000	-
Interest received		<u>389</u>	<u>1,700</u>
Net cash used in investing activities		<u>(7,611)</u>	<u>(37,218)</u>
Change in cash and cash equivalents in the reporting period		<u>123,072</u>	<u>(67,397)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>653,155</u>	<u>720,552</u>
Cash and cash equivalents at the end of the reporting period		<u><u>776,227</u></u>	<u><u>653,155</u></u>

The notes form part of these financial statements

THE CHILDREN'S ADVENTURE FARM TRUST LTD

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	94,403	(94,556)
Adjustments for:		
Depreciation charges	40,202	42,513
Profit on disposal of fixed assets	(1,000)	-
Interest received	(389)	(1,700)
(Increase)/decrease in stocks	(5,280)	110
Decrease in debtors	14,850	2,961
(Decrease)/increase in creditors	(12,103)	20,493
Net cash provided by/(used in) operations	130,683	(30,179)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank and in hand	653,155	123,072	776,227
	653,155	123,072	776,227
Total	653,155	123,072	776,227

The notes form part of these financial statements

THE CHILDREN'S ADVENTURE FARM TRUST LTD

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

1. STATUTORY INFORMATION

The Children's Adventure Farm Trust Ltd is a company, limited by guarantee and registered in England and Wales. The company does not have share capital.

The guarantors at 31 December 2020 are the Trustees in office at that date and detailed in the Trustees Report on page 7. Their liability in respect of the guarantee as set out in the Memorandum of Association is limited to £10 per guarantor.

The company's registered number is 02561611 and its registered charity number is 1003675. The company's registered office address is Booth Bank Farm, Reddy Lane, Millington, Cheshire, WA14 3RE.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Children's Adventure Farm Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the accounting policy note.

During the year the outbreak of Covid-19 in China became a global pandemic. The trustees have considered the impact of the pandemic on the charity and recognise that the future cannot be predicted with any certainty. However, the trustees expect the charity to continue operating throughout the pandemic. The charity's main source of income is from donations from individuals and awarding bodies such as trusts, which are expected to remain at a similar level. Policies are in place to ensure all staff are working safely and in accordance with government guidelines. Management have brought in cost control measures and will make use of any government funding available to them.

After considering the role of The Children's Adventure Farm Trust Ltd within the wider community (described on pages 1-8 of the annual report), investment performance & return and risk management, the trustees have reasonable expectation that the charity have adequate resources and cash flows to meet their spending commitments for the foreseeable future. The charity had net assets of £1,475,446 (2019: £1,381,043) and has generated a surplus during the year of £94,403 (2019: deficit £94,556). The trustees believe that the charity is well placed to manage the risks at these challenging times and therefore continue to adopt a going concern basis of accounting in preparing these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

There are currently no significant judgements and estimates applied by the Trust which are considered key to the preparation of the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Income

Donations and grants

Income from donations and grants, including capital grants, is included in income when these are received, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred to those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Donated services and donated goods are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteers' time is not recognised and the Trustees' report gives more information about their contribution.

On receipt, donated services and donated goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Legacies

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Income from fundraising

Income from events is accounted for when received, together with a proportion of donor pledges received at the major event held each year. Facility hire income is accounted for when invoiced.

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102.

During the year the company has benefitted from the Government Coronavirus Job Retention Scheme ('Furlough'). Furlough income has been recognised in "other income" in the same period as the related wage costs.

Commercial trading activities

Clothing and other items donated for resale through the charity's shop are included as incoming resources within activities for generating funds when they are sold.

Intangible income

Intangible income, which comprises donated goods and services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by the third party.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of events organised to raise funds for the charity, the payroll costs of the charity's staff and their associated support costs.
- Expenditure on charitable activities includes the costs of providing holidays and related activities by the charity's staff and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings - 2% per annum
Fixtures, fittings and equipment - 20% per annum
Computer equipment - 33 1/3% per annum
Plant, machinery and motor vehicles - 25% per annum

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the income statement when the change arises.

Stocks

Stocks consists of gifts in kind donated to be auctioned at fund raising events and are valued at the cost as incurred by the third party.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

THE CHILDREN'S ADVENTURE FARM TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	636,508	773,347
Legacies	-	3,000
	<u>636,508</u>	<u>776,347</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Event income	161,731	326,968
Shop income	11,512	34,050
	<u>173,243</u>	<u>361,018</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	389	850
	<u>389</u>	<u>850</u>

6. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Staff costs	226,126	191,167
Rates and water	11,869	13,301
Light and heat	1,646	2,585
Telephone	3,993	3,802
Postage and stationery	10,589	11,781
Sundries	5,039	5,486
Motor and travel expenses	1,247	2,332
Events	86,567	176,522
Legal and professional	-	477
Accountancy	3,187	2,668
	<u>350,263</u>	<u>410,121</u>

THE CHILDREN'S ADVENTURE FARM TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Provision of holidays and related activities	<u>532,424</u>	<u>71,481</u>	<u>603,905</u>

8. SUPPORT COSTS

	Finance £	Human resources £	Governance costs £	Totals £
Provision of holidays and related activities	<u>1,379</u>	<u>63,752</u>	<u>6,350</u>	<u>71,481</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	6,350	2,840
Auditors' remuneration for non audit work	-	2,500
Depreciation - owned assets	40,202	32,627
Hire of plant and machinery	1,280	1,440
Surplus on disposal of fixed assets	<u>(1,000)</u>	<u>-</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Bookkeeping, payroll and accounting services are provided by MBL (Business and Tax Advisers) Limited in which one of the Trustees is a director. Fees for this work amounted to £5,874 in the year (2019: £4,922). Included in creditors at the year end is as a balance relating to MBL in the amount of £636 (2019: £nil).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

THE CHILDREN'S ADVENTURE FARM TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. STAFF COSTS

	2020	2019
Wages and salaries	£509,354	£592,674
Social security costs	£36,130	£54,687
Pension contributions	£13,825	£16,977
Healthcare costs	£8,096	£14,105
	<u>£567,404</u>	<u>£678,443</u>

The Trust considers its key management personnel comprise the Trustees and the Chief Executive. The total employment benefits including employer pension contributions of the key management personnel were £42,593 (2019 £58,737).

During the year, a member of the key management personnel donated £1,000 in exchange for a fully depreciated motor vehicle.

No employee received emoluments in excess of £60,000 (2019: None).

The average number of permanent employees during the year was 25 (2019: 28).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	753,107	23,240	776,347
Other trading activities	361,018	-	361,018
Investment income	850	-	850
Total	<u>1,114,975</u>	<u>23,240</u>	<u>1,138,215</u>
EXPENDITURE ON			
Raising funds	386,881	23,240	410,121
Charitable activities			
Provision of holidays and related activities	761,691	60,959	822,650
Total	<u>1,148,572</u>	<u>84,199</u>	<u>1,232,771</u>
NET INCOME/(EXPENDITURE)	<u>(33,597)</u>	<u>(60,959)</u>	<u>(94,556)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,369,165</u>	<u>106,434</u>	<u>1,475,599</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>1,335,568</u></u>	<u><u>45,475</u></u>	<u><u>1,381,043</u></u>

THE CHILDREN'S ADVENTURE FARM TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2020	1,468,830	238,095	497,395	2,204,320
Additions	9,000	-	-	9,000
Disposals	-	(10,000)	-	(10,000)
At 31 December 2020	1,477,830	228,095	497,395	2,203,320
DEPRECIATION				
At 1 January 2020	745,909	204,963	491,854	1,442,726
Charge for year	26,023	9,804	4,375	40,202
Eliminated on disposal	-	(10,000)	-	(10,000)
At 31 December 2020	771,932	204,767	496,229	1,472,928
NET BOOK VALUE				
At 31 December 2020	705,898	23,328	1,166	730,392
At 31 December 2019	722,921	33,132	5,541	761,594

14. STOCKS

	2020 £	2019 £
Stocks	6,400	1,120

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	-	7,279
Income tax recoverable - Gift Aid	4,000	9,343
Prepayments and accrued income	4,481	6,709
	8,481	23,331

THE CHILDREN'S ADVENTURE FARM TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	1,200	8,911
Social security and other taxes	8,820	12,664
Other creditors	2,047	-
Accrued expenses	33,987	36,582
	<u>46,054</u>	<u>58,157</u>

17. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	1,335,568	104,009	(151,098)	1,288,479
Fund raising & publicity	-	(120,194)	120,194	-
Charity shop	-	(30,904)	30,904	-
	<u>1,335,568</u>	<u>(47,089)</u>	<u>-</u>	<u>1,288,479</u>
Restricted funds				
Increase Service	45,475	141,492	-	186,967
	<u>1,381,043</u>	<u>94,403</u>	<u>-</u>	<u>1,475,446</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	694,645	(590,636)	104,009
Fund raising & publicity	161,730	(281,924)	(120,194)
Charity shop	11,513	(42,417)	(30,904)
	<u>867,888</u>	<u>(914,977)</u>	<u>(47,089)</u>
Restricted funds			
Increase Service	180,683	(39,191)	141,492
	<u>1,048,571</u>	<u>(954,168)</u>	<u>94,403</u>

THE CHILDREN'S ADVENTURE FARM TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	1,369,165	(7,734)	(25,863)	1,335,568
Fund raising & publicity	-	(15,424)	15,424	-
Charity shop	-	(10,439)	10,439	-
	<u>1,369,165</u>	<u>(33,597)</u>	<u>-</u>	<u>1,335,568</u>
Restricted funds				
Increase Service	106,434	(60,959)	-	45,475
	<u>1,475,599</u>	<u>(94,556)</u>	<u>-</u>	<u>1,381,043</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	753,957	(761,691)	(7,734)
Fund raising & publicity	326,968	(342,392)	(15,424)
Charity shop	34,050	(44,489)	(10,439)
	<u>1,114,975</u>	<u>(1,148,572)</u>	<u>(33,597)</u>
Restricted funds			
Increase Service	-	(60,959)	(60,959)
Marketing	20,000	(20,000)	-
Mascots	3,240	(3,240)	-
	<u>23,240</u>	<u>(84,199)</u>	<u>(60,959)</u>
TOTAL FUNDS	<u>1,138,215</u>	<u>(1,232,771)</u>	<u>(94,556)</u>

THE CHILDREN'S ADVENTURE FARM TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	1,369,165	96,275	(176,961)	1,288,479
Fund raising & publicity	-	(135,618)	135,618	-
Charity shop	-	(41,343)	41,343	-
	<u>1,369,165</u>	<u>(80,686)</u>	<u>-</u>	<u>1,288,479</u>
Restricted funds				
Increase Service	106,434	80,533	-	186,967
	<u>106,434</u>	<u>80,533</u>	<u>-</u>	<u>186,967</u>
TOTAL FUNDS	<u>1,475,599</u>	<u>(153)</u>	<u>-</u>	<u>1,475,446</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,448,602	(1,352,327)	96,275
Fund raising & publicity	488,698	(624,316)	(135,618)
Charity shop	45,563	(86,906)	(41,343)
	<u>1,982,863</u>	<u>(2,063,549)</u>	<u>(80,686)</u>
Restricted funds			
Increase Service	180,683	(100,150)	80,533
Marketing	20,000	(20,000)	-
Mascots	3,240	(3,240)	-
	<u>203,923</u>	<u>(123,390)</u>	<u>80,533</u>
TOTAL FUNDS	<u>2,186,786</u>	<u>(2,186,939)</u>	<u>(153)</u>

THE CHILDREN'S ADVENTURE FARM TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020 other than that as disclosed in note 10.