

COMPANY REGISTRATION NUMBER: 02808349
CHARITY REGISTRATION NUMBER: 1026765

The Bay Trust
Company Limited by Guarantee
Financial Statements
30 September 2020

BURGESS HODGSON LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

The Bay Trust
Company Limited by Guarantee
Financial Statements
Year ended 30 September 2020

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The Bay Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 30 September 2020

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 September 2020.

Reference and administrative details

Registered charity name	The Bay Trust
Charity registration number	1026765
Company registration number	02808349
Principal office and registered office	Ripple Down House Dover Road Ringwould Deal Kent CT14 8HE

The trustees

Mr J Backwell	
Mr C Bicker	
Mr A Gould	
Mr K Harrison	
Ms C Jackson	(Resigned 23 January 2020)
Ms K Kneale	
Ms E Pette	(Appointed 1 May 2020)
Mr E Rube	

Auditor	Burgess Hodgson LLP Chartered accountants & statutory auditor Camburgh House 27 New Dover Road Canterbury Kent CT1 3DN
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The Bay Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2020

Structure, governance and management

Governing document

The organisation is a Charitable Company limited by guarantee, incorporated on 13th April 1993 and registered as a Charity on 4th October 1993. The Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The Directors of the Company are also Charity Trustees for the purposes of charity law and under the Company's Articles. Under the requirements of the Memorandum and Articles of Association, one third of the Board of Trustees must retire from office at the Annual General Meeting. A retiring member is eligible for reappointment. In addition, a Trustee shall vacate their office at the conclusion of the Annual General Meeting after they attain the age of 70 unless they have been reappointed as a member of the Board of Trustees during the meeting. The Trustees are nominated and appointed by the Trustees.

How the charity makes decisions

The Trustees routinely meet quarterly to deal with a standard agenda including Strategies, Policies, Updates and Reports such as Financial, Charitable Outcomes, Education Standards, Health & Safety, Safeguarding, Charity Governance, etc. Major changes or new initiatives are made or approved by Trustees; Day to day running of the Trust and implementation is delegated via mandates to the Executive Director and a Management Group, which often includes the Chair. This meets weekly for operations, and monthly for Strategy and Development. In addition, Trustees become involved in various initiatives that involve their chosen areas of interest or expertise.

Induction and training of new trustees

When it is necessary to appoint new Trustees, the individuals are selected on the basis that they bring complimentary skills to the Charity. The existing Trustees have procedures in place to establish the individual's understanding of the overall responsibilities of the Trusteeship and previous experience of other charitable organisations.

Close relationships

The Charitable Company has a close relationship with The Cleary Foundation (two common Trustees) and the Carbon Free Group C.I.C. (two common Directors).

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 Bay Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2020

Objectives and activities

Objectives and origins

The Bay Trust is an environmental charitable trust whose objects are:

- 1) To promote and provide for education and science in the UK and elsewhere, in particular but not by way of limitation in the fields of environmental protection, preservation and conservation;
- 2) To promote for the public benefit the preservation of the natural beauty, flora and fauna of St. Margaret's at Cliffe, and other such areas as the trustees shall from time to time determine; and
- 3) The primary focus of the Trust is to assist improving lives through outdoor learning and connections with the natural world- delivering wellbeing through nature.

The Trust's day-to-day activities involve environmental education and environmental exploration - showcasing new models for health and sustainable living.

The Trust's origins are borne out of the environmental and philanthropic activities of Fred Cleary CBE (1905-1984) and the work of The Cleary Foundation. The Trust was incorporated and registered as a charity in 1993, and in 2008 incorporated the St Margaret's Bay Trust, founded in 1970 by the Cleary Foundation.

Public benefit

The charity trustees have complied with their duty as set out in the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Activities undertaken to further charitable purposes for the public benefit

The core activities of the Trust are:

- (i) The provision of experiential environmental educational programmes for children and adults (including teachers).
- (ii) The active management of the Trust's land assets (natural environment and buildings) so that they can:
 - Demonstrate the environmental principles being espoused by the Trust
 - Improve local biodiversity, visual amenity and, where applicable, local food production capacity.
- (iii) Playing an active role in supporting local community initiatives that are in alignment with the Trust's charitable objectives. The Trust undertakes these activities from two locations, approximately three miles apart:
 - Rippledawn Environmental Education Centre (Ripple Down House) in Ringwould; and
 - The Pines Calyx (The Pines Garden) in St. Margaret's Bay.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

The Bay Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 30 September 2020

Achievements and performance

During the past 12 months the Trust's key actions and achievements have been as follows:

Environmental/Educational

- (i) Providing environmental education programmes for primary school age children and the successful continuation and expansion of programmes for secondary school age children
- (ii) Implementation of the new overarching planting and grounds development plan for the Pines Garden, including increased biodiversity, nature conservation and "wild" gardening approaches.
- (iii) Continuation of new long term land management plan for the Pines Garden - this being an example of 'Permaculture in action' and recognised as such, being a designated by the Permaculture Association of one of their national network of 'Land Projects'.
- (iv) Continuation of new Arts and Science educational initiatives set within the Pines Garden
- (v) Continuing growth of 'food growing' initiatives at the Pines Garden and at Rippledawn
- (vi) Continuation of partnered research programme on the health and wellbeing benefits of the nature and the 'outdoor classroom'
- (vii) Continuation of biodiversity enhancement programme on 'Steps Bank' (adjacent to the Pines Garden) and other properties in the Trust's ownership

The Bay Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 30 September 2020

Achievements and performance *(continued)*

Social/Local Economy

- (i) Continuation of volunteer and apprentice programmes
- (ii) Continuation of Programmes for both children and adults with physical and mental health difficulties and disabilities; particularly those who are NEET (Not in Education, Employment or Training)
- (iii) Continuation of intern programmes including students based at leading national and international universities working on subject areas of ecology and sustainable living
- (iv) Active Support and guidance to initiatives in the wider area aimed at securing a prosperous and low carbon future for East Kent, including in particular local community-based renewable energy initiatives and exemplar healthy low carbon buildings
- (v) Planning for a partnership with rural community development charity Action with Communities in Rural Kent to establish a Zero Carbon Rural Communities initiative, taking the charity's expertise to new audiences and drawing on expertise of its staff where mutual benefit and learning can be achieved.

During the year the Trust has continued to invest significantly in professional expertise to move forward the planned land transfers and associated planning applications in respect of its asset improvement plan (as referred to further in the financial section of the report below). The regeneration partners continue to progress the on-going delivery of a range of initiatives where the key outcomes jointly agreed with the chosen partners include -

- a) Delivery of a significant improvement of the quality and quantity of residential units in alignment with the identified local housing needs in various localities with particular emphasis upon the environmental aspects of any works, with designs expected to ensure long term enhancement of both local biodiversity and visual amenity
- b) Particular consideration given to use of local suppliers and contractors in the any works undertaken
- c) Joint work with the Trust to maximise youth training opportunities (in particular in construction and horticultural areas).
- d) All regeneration initiatives designed and delivered in a manner that will significantly increase local biodiversity and enhance visual amenity

The Bay Trust

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2020

Financial review

The year has been a challenge with a significant drop in income generating opportunities arising as a result of the coronavirus pandemic and also a need to move the charity forward following a decision to discontinue the role of Chief Executive.

The charity has been fortunate to be able to draw on its asset base and some Government initiatives, such as the furlough scheme and Business Retention Grants, in order to remain operational. Given the role the visitor economy plays in driving income into the charity - including residential stays by schools at Rippledawn House, conferences at the Pines Calyx or outings to the Pines Tea Rooms - trustees know the charity is fortunate to have assets it can utilise to maintain its work and existence.

It was reported in 2019 that completing delivery of a previous three-year asset improvement plan would enable the charity to produce more outcomes in line with its charitable objects. The coronavirus pandemic has resulted in significant delays to the taking forward of this, although it is intended that progress will be made in line with the forward strategy mentioned in both the 'Risk Management' and 'Future Plans' sections of this report.

Discontinuing the role of Chief Executive contributed to both a reduction in staffing costs and enabled costs control measures to be reviewed and strengthened during the latter part of the financial year. Work on cost control management continued into 2020/21 and is likely to be consolidated for future years in line with the forward strategy.

The principle funding sources of the charity remained based upon the provision of outdoor learning and health and wellbeing; research, development and improvement of the natural and built environment; the provision of continuing professional development for professional connected with these fields; and visitors to the resources we provide such as the Pines Garden and Tea Rooms. Even without the arrival of the coronavirus pandemic, however, trustees knew that its work could be strengthened by two measures which could increase its financial efficacy: making better use of existing assets and creating partnerships that enhanced the reach of the charity. Further information on these appears in the 'Achievements and Performance' and 'Future Plans' section of this report.

Total Funds available to the charity at the year-end totalled £4,709,625 (2019: £6,369,228). This total is made up of £4,561,742 (2019: £6,221,345) Unrestricted Funds; and £147,883 (2019: £147,883) Restricted Funds.

During the year trustees were informed that a legacy in the region of £300,000 was to be left to the charity in either the 2020/21 or early 2021/22 financial year. How this is to be used, in pursuit of the charity's objects, is still to be determined at the time of reporting.

Trustees were also aware that further property assets may be disposed of, during 2020/21, in order that the charity can invest in delivery of its objects for the longer-term. One trustee would provide bridging finance should delays in disposal threaten to place significant burdens on cashflow already challenged by the coronavirus pandemic.

Given the size of the balance sheet, historically the Trust has not had a fixed amount or percentage for cash reserves other than maintaining a healthy cash flow consistent with the day-to-day operations - usually a minimum 3 months operating costs plus a sound budget for property assets.

The Bay Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 30 September 2020

Plans for future periods

The key activities planned over the next 12 months are as follows -

- (i) Continuation of work on a forward strategy which focuses on delivery of the charity's objects for the medium and longer-terms, based on a revised financial model and enhancing reach of the charity through carefully considered strategic alliances and partnerships.
- (ii) To continue to evaluate trends in environmental education and outdoor learning so as to inform future delivery of the charity's work in these arenas - including in terms of physical location and the blending of both digital and face-to-face approaches.
- (iii) To assess to what extent the charity can deliver on its objects through its current property assets; this includes reviewing how income from the visitor economy can be increased (with particular focus on the Pines Calyx, Pines Tea Room, Rippledawn House and both existing and potential holiday/conference/student guest accommodation) so as both to support maintenance of the charity's environmental ambitions and Pines Gardens and provide environmental education in both direct and subtle ways.
- (i) To add to the "show and tell" function of the charity's environmental credentials (evident already in the form of the Pines Calyx) by, for example, installation of electric vehicle charging points at its site in St. Margaret's Bay and running demonstrations of biochar production and use.
- (v) To work in partnership with organisations that can help place learning and research of The Bay Trust in urban and rural communities beyond sites owned by the charity - thus extending its reach and bringing it to the attention of potential new supporters. Such organisations may include the Kent Downs AONB partnership, The Carbon Free Group, Action with Communities in Rural Kent and The Cleary Foundation. Specific work will be undertaken to create a Zero Carbon Rural Communities initiative with Action with Communities in Rural Kent, focusing initially on environmental education work for trustees of village halls and community groups creating housing and workspace.
- (vi) To maintain the work and public appearance of the charity, as best as is possible, during the coronavirus pandemic.
- (vii) To support its staff and volunteers, as best as is possible, during the coronavirus pandemic.
- (viii) To explore new ways of delivering work, including use of digital platforms and generating revenue through the digital economy, which supports the charity's educational work and environmental ethos.

Trustees' responsibilities statement

The trustees, who are also directors 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 law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

The Bay Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2020

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on22nd September 2021..... and signed on behalf of the board of trustees by:



Mr C Bicker
Director

The Bay Trust
Company Limited by Guarantee
Independent Auditor's Report to the Members of The Bay Trust
Year ended 30 September 2020

Opinion

We have audited the financial statements of The Bay Trust (the 'charity') for the year ended 30 September 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 charity's affairs as at 30 September 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

The Bay Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Bay Trust *(continued)*

Year ended 30 September 2020

Other information

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

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

We have nothing to report in this regard.

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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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.

The Bay Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Bay Trust *(continued)*

Year ended 30 September 2020

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Bay Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Bay Trust *(continued)*

Year ended 30 September 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Laughton (Senior Statutory Auditor)

For and on behalf of
Burgess Hodgson LLP
Chartered accountants & statutory auditor

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

22nd September 2021

The Bay Trust
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 30 September 2020

		Unrestricted funds £	2020 Restricted funds £	Total funds £	2019 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	200,122	—	200,122	10,487
Charitable activities	6	134,107	—	134,107	407,662
Investment income	7	58,948	—	58,948	54,208
Other income	8	313,108	—	313,108	—
Total income		<u>706,285</u>	<u>—</u>	<u>706,285</u>	<u>472,357</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	9	22,311	—	22,311	63,540
Expenditure on charitable activities	10,11	976,818	—	976,818	999,293
Total expenditure		<u>999,129</u>	<u>—</u>	<u>999,129</u>	<u>1,062,833</u>
Net losses on investments	13	1,366,759	—	1,366,759	—
Net expenditure and net movement in funds		<u>(1,659,603)</u>	<u>—</u>	<u>(1,659,603)</u>	<u>(590,476)</u>
Reconciliation of funds					
Total funds brought forward		6,221,345	147,833	6,369,228	6,959,704
Total funds carried forward		<u>4,561,742</u>	<u>147,833</u>	<u>4,709,625</u>	<u>6,369,228</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 16 to 28 form part of these financial statements.

The Bay Trust
Company Limited by Guarantee
Statement of Financial Position
30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	18	3,824,022	3,893,511
Investments	19	1,975,569	5,270,569
		<u>5,799,591</u>	<u>9,164,080</u>
Current assets			
Stocks	20	1,354	9,172
Debtors	21	33,307	133,757
Cash at bank and in hand		402,788	240,740
		<u>437,449</u>	<u>383,669</u>
Creditors: amounts falling due within one year	22	<u>539,141</u>	<u>2,097,492</u>
Net current liabilities		<u>101,692</u>	<u>1,713,823</u>
Total assets less current liabilities		<u>5,697,899</u>	<u>7,450,257</u>
Creditors: amounts falling due after more than one year	23	<u>988,274</u>	<u>1,081,029</u>
Net assets		<u>4,709,625</u>	<u>6,369,228</u>
Funds of the charity			
Restricted funds		147,883	147,883
Unrestricted funds:			
Revaluation reserve		3,146,581	4,137,481
Other unrestricted income funds		1,415,161	2,083,864
Total unrestricted funds		<u>4,561,742</u>	<u>6,221,345</u>
Total charity funds	26	<u>4,709,625</u>	<u>6,369,228</u>

These financial statements were approved by the board of trustees and authorised for issue on 22nd September 2021, and are signed on behalf of the board by:



Mr C Bicker
Director

The notes on pages 16 to 28 form part of these financial statements.

The Bay Trust
Company Limited by Guarantee
Statement of Cash Flows
Year ended 30 September 2020

	2020 £	2019 £
Cash flows from operating activities		
Net expenditure	(1,659,603)	(590,476)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	110,554	109,226
Net losses on investments	1,366,759	—
Dividends, interest and rents from investments	(58,948)	(54,208)
Interest payable and similar charges	11,416	4,395
Loss on disposal of heritage assets	10,845	—
Accrued expenses/(income)	41,057	(27,370)
<i>Changes in:</i>		
Stocks	7,818	7,575
Trade and other debtors	100,450	(64,592)
Trade and other creditors	(1,284,138)	521,022
Cash generated from operations	(1,353,790)	(94,428)
Interest paid	(11,416)	(4,395)
Net cash used in operating activities	(1,365,206)	(98,823)
Cash flows from investing activities		
Dividends, interest and rents from investments	58,948	54,208
Purchase of tangible assets	(41,224)	(23,192)
Proceeds from sale of tangible assets	159	—
Proceeds from sale of heritage assets	(10,845)	—
Purchases of other investments	—	(6,283)
Proceeds from sale of other investments	1,928,241	—
Net cash from investing activities	1,935,279	24,733
Cash flows from financing activities		
Proceeds from borrowings	(399,263)	325,935
Payments of finance lease liabilities	(8,762)	(17,463)
Net cash (used in)/from financing activities	(408,025)	308,472
Net increase in cash and cash equivalents	162,048	234,382
Cash and cash equivalents at beginning of year	240,740	6,358
Cash and cash equivalents at end of year	402,788	240,740

The notes on pages 16 to 28 form part of these financial statements.

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 30 September 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Ripple Down House, Dover Road, Ringwould, Deal, Kent, CT14 8HE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The Bay Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The Charity's accounts have been prepared on the going concern basis, based on the availability of investments which can be realised to support activities, and on the understanding there will be continuing support in to the foreseeable future to the Charity from Trustees and entities with common Trustees.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Restricted funds can only be used for particular restricted purposes within the objectives 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 Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are recognised on the Statement of Financial Activities when the charity is legally entitled to the funds, any performance conditions attached to the items of income have been met, it is probable the income will be received and the amount can be quantified with reasonable accuracy.

Income received in advance of the provision of a service is deferred until the criteria for recognition are met.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Functional Property	- 2% straight line
Fixtures & Fittings	- 10% straight line
Motor Vehicles	- 25% reducing balance

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings are initially recognised at transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

4. Limited by guarantee

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is £1 per member of the company.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	122	—	122
Gift Aid	—	—	—
Grants			
Grants receivable	200,000	—	200,000
	<u>200,122</u>	<u>—</u>	<u>200,122</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations			
Donations	7,941	—	7,941
Gift Aid	46	—	46
Grants			
Grants receivable	—	2,500	2,500
	<u>7,987</u>	<u>2,500</u>	<u>10,487</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from Pines Calyx	8,799	8,799	40,602	40,602
Income from Rippledawn	37,145	37,145	190,309	190,309
Pines Garden Income	890	890	3,528	3,528
Tea Room Income	89,157	89,157	156,329	156,329
Other Income	8,579	8,579	3,394	3,394
Consultancy Income	(10,463)	(10,463)	13,500	13,500
	<u>134,107</u>	<u>134,107</u>	<u>407,662</u>	<u>407,662</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from investment properties	58,948	58,948	54,208	54,208

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

8. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Joint Venture income	186,353	186,353	—	—
Government grants	126,755	126,755	—	—
	<u>313,108</u>	<u>313,108</u>	<u>—</u>	<u>—</u>

9. Investment management costs

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Light and heat	2,428	2,428	2,438	2,438
Repairs & maintenance & management charges	17,058	17,058	61,102	61,102
Legal fees	2,825	2,825	—	—
	<u>22,311</u>	<u>22,311</u>	<u>63,540</u>	<u>63,540</u>

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Charitable activities	934,520	—	934,520
Support costs	42,298	—	42,298
	<u>976,818</u>	<u>—</u>	<u>976,818</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Charitable activities	939,052	2,083	941,135
Support costs	58,158	—	58,158
	<u>997,210</u>	<u>2,083</u>	<u>999,293</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Charitable activities	934,520	37,298	971,818	995,793
Governance costs	—	5,000	5,000	3,500
	<u>934,520</u>	<u>42,298</u>	<u>976,818</u>	<u>999,293</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

12. Analysis of support costs

	2020	2019
	£	£
Legal fees	37,298	54,658
Audit fees	5,000	3,500
	<u>42,298</u>	<u>58,158</u>

13. Net losses on investments

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains/(losses) on investment property	(1,366,759)	(1,366,759)	—	—

14. Net expenditure

Net expenditure is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	110,554	109,226
Loss/(gains) on disposal of heritage assets	10,845	(13,873)
Operating lease rentals	4,341	7,329

15. Auditors remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	5,000	3,500

16. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	391,167	383,486
Social security costs	20,299	21,765
Employer contributions to pension plans	4,727	2,934
	<u>416,193</u>	<u>408,185</u>

The average head count of employees during the year was 29 (2019: 31). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No.	No.
Operating activity staff	28	30
Administrative staff	1	1
	<u>29</u>	<u>31</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

16. Staff costs *(continued)*

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

17. Trustee remuneration and expenses

During the year payments of £Nil (2019: £5,748) were made to a trustee of the Charity, for consultancy work performed throughout the year.

No trustees received remuneration from the Charity for their role as trustees during the year. No expenses or benefits were paid to any trustees during the year.

18. Tangible fixed assets

	Functional Property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 October 2019	4,013,945	288,877	1,000	4,303,822
Additions	20,113	21,111	—	41,224
Disposals	—	—	(1,000)	(1,000)
At 30 September 2020	4,034,058	309,988	—	4,344,046
Depreciation				
At 1 October 2019	246,701	162,788	822	410,311
Charge for the year	80,594	29,941	19	110,554
Disposals	—	—	(841)	(841)
At 30 September 2020	327,295	192,729	—	520,024
Carrying amount				
At 30 September 2020	3,706,763	117,259	—	3,824,022
At 30 September 2019	3,767,244	126,089	178	3,893,511

Finance leases and hire purchase contracts

Included within the carrying value of tangible fixed assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Functional Property £
At 30 September 2020	101,447
At 30 September 2019	103,652

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

19. Investments

	Investment properties £
Cost or valuation	
At 1 October 2019	5,270,569
Additions	—
Disposals	<u>(3,295,000)</u>
At 30 September 2020	<u>1,975,569</u>
Impairment	
At 1 October 2019 and 30 September 2020	
Carrying amount	
At 30 September 2020	<u>1,975,569</u>
At 30 September 2019	<u>5,270,569</u>

All investments shown above are held at valuation.

Investment properties

Investment properties have been revalued based on valuations provided by the Trustees, and were last revalued at 30 September 2018. The Trustees believe that the valuations continue to reflect the open market value of the properties.

20. Stocks

	2020	2019
	£	£
Raw materials and consumables	<u>1,354</u>	<u>9,172</u>

21. Debtors

	2020	2019
	£	£
Trade debtors	17,563	30,962
Prepayments and accrued income	15,744	2,795
Other debtors	—	100,000
	<u>33,307</u>	<u>133,757</u>

The debtors above include the following amounts falling due after more than one year:

	2020	2019
	£	£
Other debtors	—	<u>100,000</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

22. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	37,417	393,098
Trade creditors	35,016	52,101
Accruals and deferred income	68,072	27,015
Social security and other taxes	45,989	58,828
Obligations under finance leases and hire purchase contracts	16,164	15,753
Other creditors	336,483	1,550,697
	<u>539,141</u>	<u>2,097,492</u>

Included in bank loans and overdrafts is an amount of £37,417 (2019: £393,098) which is secured by charges over properties owned by the Trust.

23. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	252,345	295,927
Obligations under finance leases and hire purchase contracts	45,929	55,102
Other creditors	690,000	730,000
	<u>988,274</u>	<u>1,081,029</u>

Included in bank loans and overdrafts is an amount of £252,345 (2019: £295,927) which is secured by charges over properties owned by the Trust.

Included in other creditors is an amount of £690,000 (2019: £730,000) which is secured by charges over a property owned by the Trust.

Other long term loans above include amounts repayable over 1 year on the following outstanding loans:

Cleary Foundation	690,000	730,000
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24. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2020	2019
	£	£
Not later than 1 year	16,164	15,753
Later than 1 year and not later than 5 years	45,929	55,102
	<u>62,093</u>	<u>70,855</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

25. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,727 (2019: £2,934).

26. Analysis of charitable funds

Unrestricted funds

	At 1 Oct 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2020 £
General fund	2,083,864	706,285	(999,129)	990,900	(1,366,759)	1,415,161
Revaluation reserve	4,137,481	—	—	(990,900)	—	3,146,581
	<u>6,221,345</u>	<u>706,285</u>	<u>(999,129)</u>	<u>—</u>	<u>(1,366,759)</u>	<u>4,561,742</u>

	At 1 Oct 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2019 £
General fund	2,674,757	469,857	(1,060,750)	—	—	2,083,864
Revaluation reserve	4,137,481	—	—	—	—	4,137,481
	<u>6,812,238</u>	<u>469,857</u>	<u>(1,060,750)</u>	<u>—</u>	<u>—</u>	<u>6,221,345</u>

Restricted funds

	At 1 Oct 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2020 £
Restricted Funds	147,833	—	—	—	—	147,833

	At 1 Oct 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2019 £
Restricted Funds	147,466	2,500	(2,083)	—	—	147,883

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 30 September 2020

26. Analysis of charitable funds (continued)

RESTRICTED FUNDS SPLIT

Restricted fund	£
Building Fund	130,533
Big Lottery Fund	9,850
Up on the Downs Fund	7,500
Total	147,883

Building Fund

The Building Fund is for a new purpose built education and training facility to compliment and expand the educational programmes at Rippledawn. It is being constructed using the latest designs in green technology and using sustainable materials where able.

Big Lottery Fund

A grant received to provide social activities in an outdoor environment for young people with additional needs.

Up on the Downs Fund

A grant received from the Up on the Downs Landscape Partnership scheme for the restoration and management of Bay Hill Grassland and Steps Bank Woodland.

27. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	3,713,906	110,116	3,824,022
Investments	1,975,569	–	1,975,569
Current assets	399,682	37,767	437,449
Creditors less than 1 year	(539,141)	–	(539,141)
Creditors greater than 1 year	(988,274)	–	(988,274)
Net assets	4,561,742	147,883	4,709,625

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	3,783,395	110,116	3,893,511
Investments	5,270,569	–	5,270,569
Current assets	345,902	37,767	383,669
Creditors less than 1 year	(2,097,492)	–	(2,097,492)
Creditors greater than 1 year	(1,081,029)	–	(1,081,029)
Net assets	6,221,345	147,883	6,369,228

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

28. Subsequent events

On 30 January 2020, the International Health Regulations Emergency Committee of the World Health Organisation declared the outbreak of the Covid-19 virus as a Public Health Emergency of International Concern. Since then, the Virus has spread to and impacted almost all countries around the world.

The Trustee's have considered the impact of the outbreak in relation to the Trust. The charity has had to temporarily close the site in response to the advice from the Government. The Trustee's have met to consider the fact this will result in a reduction of income from the site and considered the impact this will have on the Charity as a whole.

A number of decisions have been made in respect of this, which include:

- 1) Placing some of the site staff on furlough
- 2) Preparing forecasts and budgets and reviewing these on a regular basis
- 3) Considering encashing investment properties

As a result of the matters referred to above, the Trustees consider that the preparation of these financial statements on the going concern basis remains appropriate.

29. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2020 £	2019 £
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents	402,788	240,740
Trade debtors	17,563	30,962
	<u>420,351</u>	<u>271,702</u>
Financial liabilities measured at amortised cost		
Trade creditors	35,016	52,101
Accruals	63,072	27,015
Bank and other loans	1,310,070	2,936,978
	<u>1,408,158</u>	<u>3,016,094</u>

30. Analysis of changes in net debt

	At 1 Oct 2019 £	Cash flows £	At 30 Sep 2020 £
Cash at bank and in hand	240,740	162,048	402,788
Debt due within one year	(408,851)	355,270	(53,581)
Debt due after one year	(351,029)	52,755	(298,274)
	<u>(519,140)</u>	<u>570,073</u>	<u>50,933</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

31. Related parties

During the year Mr A Gould, a Trustee, lent the charity £nil (2019: £45,000), with repayments of £497,315 (2019: £95,000) made during the year. Interest of £12,000 (2019: £21,000) was charged in respect of the outstanding loan. At the balance sheet date Mr A Gould was owed £nil (2019: £485,315).

During the year Mr E Rube, a Trustee, lent the charity £nil (2019: £nil) with repayments of £50,000 (2019: £nil). Interest of £1,250 (2019: £2,625) was charged by Mr E Rube in respect of the outstanding loan. At the balance sheet date Mr E Rube was owed £36,175 (2019: £84,925).

During the year The Cleary Foundation have made loans to the charity of £90,000 (2019: £600,000). Mr A Gould & Mr C Bicker are trustees of the Bay Trust and the Cleary Foundation. In the current year repayments of £118,250 (2019: £nil) have been made. Interest of £36,995 was charged by The Cleary Foundation in respect of the outstanding loan. In the year, £200,000 was converted from a loan balance into a grant to the Bay Trust. At the balance sheet date the Bay Trust owes the Cleary Foundation £809,295 (2019: £1,000,550).

During the year the Helionix Group Limited invoiced the Bay Trust £10,098 (2019: £6,816) for work provided throughout the year. At the balance sheet date the company was owed £Nil (2019: £nil). Mr A Gould is a director of the Bay Trust and Helionix Group Limited.

During the year Mrs C Jackson received a salary from the Bay Trust of £25,077 (2019: £32,389) for services provided through out the year. Mrs C Jackson was a Director of the Bay Trust during the period.

COMPANY REGISTRATION NUMBER: 02808349
CHARITY REGISTRATION NUMBER: 1026765

The Bay Trust
Company Limited by Guarantee
Financial Statements
30 September 2020

BURGESS HODGSON LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

The Bay Trust
Company Limited by Guarantee
Financial Statements
Year ended 30 September 2020

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The Bay Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 30 September 2020

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 September 2020.

Reference and administrative details

Registered charity name	The Bay Trust
Charity registration number	1026765
Company registration number	02808349
Principal office and registered office	Ripple Down House Dover Road Ringwould Deal Kent CT14 8HE

The trustees

Mr J Backwell	
Mr C Bicker	
Mr A Gould	
Mr K Harrison	
Ms C Jackson	(Resigned 23 January 2020)
Ms K Kneale	
Ms E Pette	(Appointed 1 May 2020)
Mr E Rube	

Auditor	Burgess Hodgson LLP Chartered accountants & statutory auditor Camburgh House 27 New Dover Road Canterbury Kent CT1 3DN
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The Bay Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2020

Structure, governance and management

Governing document

The organisation is a Charitable Company limited by guarantee, incorporated on 13th April 1993 and registered as a Charity on 4th October 1993. The Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The Directors of the Company are also Charity Trustees for the purposes of charity law and under the Company's Articles. Under the requirements of the Memorandum and Articles of Association, one third of the Board of Trustees must retire from office at the Annual General Meeting. A retiring member is eligible for reappointment. In addition, a Trustee shall vacate their office at the conclusion of the Annual General Meeting after they attain the age of 70 unless they have been reappointed as a member of the Board of Trustees during the meeting. The Trustees are nominated and appointed by the Trustees.

How the charity makes decisions

The Trustees routinely meet quarterly to deal with a standard agenda including Strategies, Policies, Updates and Reports such as Financial, Charitable Outcomes, Education Standards, Health & Safety, Safeguarding, Charity Governance, etc. Major changes or new initiatives are made or approved by Trustees; Day to day running of the Trust and implementation is delegated via mandates to the Executive Director and a Management Group, which often includes the Chair. This meets weekly for operations, and monthly for Strategy and Development. In addition, Trustees become involved in various initiatives that involve their chosen areas of interest or expertise.

Induction and training of new trustees

When it is necessary to appoint new Trustees, the individuals are selected on the basis that they bring complimentary skills to the Charity. The existing Trustees have procedures in place to establish the individual's understanding of the overall responsibilities of the Trusteeship and previous experience of other charitable organisations.

Close relationships

The Charitable Company has a close relationship with The Cleary Foundation (two common Trustees) and the Carbon Free Group C.I.C. (two common Directors).

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 Bay Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2020

Objectives and activities

Objectives and origins

The Bay Trust is an environmental charitable trust whose objects are:

- 1) To promote and provide for education and science in the UK and elsewhere, in particular but not by way of limitation in the fields of environmental protection, preservation and conservation;
- 2) To promote for the public benefit the preservation of the natural beauty, flora and fauna of St. Margaret's at Cliffe, and other such areas as the trustees shall from time to time determine; and
- 3) The primary focus of the Trust is to assist improving lives through outdoor learning and connections with the natural world- delivering wellbeing through nature.

The Trust's day-to-day activities involve environmental education and environmental exploration - showcasing new models for health and sustainable living.

The Trust's origins are borne out of the environmental and philanthropic activities of Fred Cleary CBE (1905-1984) and the work of The Cleary Foundation. The Trust was incorporated and registered as a charity in 1993, and in 2008 incorporated the St Margaret's Bay Trust, founded in 1970 by the Cleary Foundation.

Public benefit

The charity trustees have complied with their duty as set out in the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

Activities undertaken to further charitable purposes for the public benefit

The core activities of the Trust are:

- (i) The provision of experiential environmental educational programmes for children and adults (including teachers).
- (ii) The active management of the Trust's land assets (natural environment and buildings) so that they can:
 - Demonstrate the environmental principles being espoused by the Trust
 - Improve local biodiversity, visual amenity and, where applicable, local food production capacity.
- (iii) Playing an active role in supporting local community initiatives that are in alignment with the Trust's charitable objectives. The Trust undertakes these activities from two locations, approximately three miles apart:
 - Rippledawn Environmental Education Centre (Ripple Down House) in Ringwould; and
 - The Pines Calyx (The Pines Garden) in St. Margaret's Bay.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

The Bay Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 30 September 2020

Achievements and performance

During the past 12 months the Trust's key actions and achievements have been as follows:

Environmental/Educational

- (i) Providing environmental education programmes for primary school age children and the successful continuation and expansion of programmes for secondary school age children
- (ii) Implementation of the new overarching planting and grounds development plan for the Pines Garden, including increased biodiversity, nature conservation and "wild" gardening approaches.
- (iii) Continuation of new long term land management plan for the Pines Garden - this being an example of 'Permaculture in action' and recognised as such, being a designated by the Permaculture Association of one of their national network of 'Land Projects'.
- (iv) Continuation of new Arts and Science educational initiatives set within the Pines Garden
- (v) Continuing growth of 'food growing' initiatives at the Pines Garden and at Rippledawn
- (vi) Continuation of partnered research programme on the health and wellbeing benefits of the nature and the 'outdoor classroom'
- (vii) Continuation of biodiversity enhancement programme on 'Steps Bank' (adjacent to the Pines Garden) and other properties in the Trust's ownership

The Bay Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 30 September 2020

Achievements and performance *(continued)*

Social/Local Economy

- (i) Continuation of volunteer and apprentice programmes
- (ii) Continuation of Programmes for both children and adults with physical and mental health difficulties and disabilities; particularly those who are NEET (Not in Education, Employment or Training)
- (iii) Continuation of intern programmes including students based at leading national and international universities working on subject areas of ecology and sustainable living
- (iv) Active Support and guidance to initiatives in the wider area aimed at securing a prosperous and low carbon future for East Kent, including in particular local community-based renewable energy initiatives and exemplar healthy low carbon buildings
- (v) Planning for a partnership with rural community development charity Action with Communities in Rural Kent to establish a Zero Carbon Rural Communities initiative, taking the charity's expertise to new audiences and drawing on expertise of its staff where mutual benefit and learning can be achieved.

During the year the Trust has continued to invest significantly in professional expertise to move forward the planned land transfers and associated planning applications in respect of its asset improvement plan (as referred to further in the financial section of the report below). The regeneration partners continue to progress the on-going delivery of a range of initiatives where the key outcomes jointly agreed with the chosen partners include -

- a) Delivery of a significant improvement of the quality and quantity of residential units in alignment with the identified local housing needs in various localities with particular emphasis upon the environmental aspects of any works, with designs expected to ensure long term enhancement of both local biodiversity and visual amenity
- b) Particular consideration given to use of local suppliers and contractors in the any works undertaken
- c) Joint work with the Trust to maximise youth training opportunities (in particular in construction and horticultural areas).
- d) All regeneration initiatives designed and delivered in a manner that will significantly increase local biodiversity and enhance visual amenity

The Bay Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2020

Financial review

The year has been a challenge with a significant drop in income generating opportunities arising as a result of the coronavirus pandemic and also a need to move the charity forward following a decision to discontinue the role of Chief Executive.

The charity has been fortunate to be able to draw on its asset base and some Government initiatives, such as the furlough scheme and Business Retention Grants, in order to remain operational. Given the role the visitor economy plays in driving income into the charity - including residential stays by schools at Rippledawn House, conferences at the Pines Calyx or outings to the Pines Tea Rooms - trustees know the charity is fortunate to have assets it can utilise to maintain its work and existence.

It was reported in 2019 that completing delivery of a previous three-year asset improvement plan would enable the charity to produce more outcomes in line with its charitable objects. The coronavirus pandemic has resulted in significant delays to the taking forward of this, although it is intended that progress will be made in line with the forward strategy mentioned in both the 'Risk Management' and 'Future Plans' sections of this report.

Discontinuing the role of Chief Executive contributed to both a reduction in staffing costs and enabled costs control measures to be reviewed and strengthened during the latter part of the financial year. Work on cost control management continued into 2020/21 and is likely to be consolidated for future years in line with the forward strategy.

The principle funding sources of the charity remained based upon the provision of outdoor learning and health and wellbeing; research, development and improvement of the natural and built environment; the provision of continuing professional development for professional connected with these fields; and visitors to the resources we provide such as the Pines Garden and Tea Rooms. Even without the arrival of the coronavirus pandemic, however, trustees knew that its work could be strengthened by two measures which could increase its financial efficacy: making better use of existing assets and creating partnerships that enhanced the reach of the charity. Further information on these appears in the 'Achievements and Performance' and 'Future Plans' section of this report.

Total Funds available to the charity at the year-end totalled £4,709,625 (2019: £6,369,228). This total is made up of £4,561,742 (2019: £6,221,345) Unrestricted Funds; and £147,883 (2019: £147,883) Restricted Funds.

During the year trustees were informed that a legacy in the region of £300,000 was to be left to the charity in either the 2020/21 or early 2021/22 financial year. How this is to be used, in pursuit of the charity's objects, is still to be determined at the time of reporting.

Trustees were also aware that further property assets may be disposed of, during 2020/21, in order that the charity can invest in delivery of its objects for the longer-term. One trustee would provide bridging finance should delays in disposal threaten to place significant burdens on cashflow already challenged by the coronavirus pandemic.

Given the size of the balance sheet, historically the Trust has not had a fixed amount or percentage for cash reserves other than maintaining a healthy cash flow consistent with the day-to-day operations - usually a minimum 3 months operating costs plus a sound budget for property assets.

The Bay Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 30 September 2020

Plans for future periods

The key activities planned over the next 12 months are as follows -

- (i) Continuation of work on a forward strategy which focuses on delivery of the charity's objects for the medium and longer-terms, based on a revised financial model and enhancing reach of the charity through carefully considered strategic alliances and partnerships.
- (ii) To continue to evaluate trends in environmental education and outdoor learning so as to inform future delivery of the charity's work in these arenas - including in terms of physical location and the blending of both digital and face-to-face approaches.
- (iii) To assess to what extent the charity can deliver on its objects through its current property assets; this includes reviewing how income from the visitor economy can be increased (with particular focus on the Pines Calyx, Pines Tea Room, Rippledawn House and both existing and potential holiday/conference/student guest accommodation) so as both to support maintenance of the charity's environmental ambitions and Pines Gardens and provide environmental education in both direct and subtle ways.
- (i) To add to the "show and tell" function of the charity's environmental credentials (evident already in the form of the Pines Calyx) by, for example, installation of electric vehicle charging points at its site in St. Margaret's Bay and running demonstrations of biochar production and use.
- (v) To work in partnership with organisations that can help place learning and research of The Bay Trust in urban and rural communities beyond sites owned by the charity - thus extending its reach and bringing it to the attention of potential new supporters. Such organisations may include the Kent Downs AONB partnership, The Carbon Free Group, Action with Communities in Rural Kent and The Cleary Foundation. Specific work will be undertaken to create a Zero Carbon Rural Communities initiative with Action with Communities in Rural Kent, focusing initially on environmental education work for trustees of village halls and community groups creating housing and workspace.
- (vi) To maintain the work and public appearance of the charity, as best as is possible, during the coronavirus pandemic.
- (vii) To support its staff and volunteers, as best as is possible, during the coronavirus pandemic.
- (viii) To explore new ways of delivering work, including use of digital platforms and generating revenue through the digital economy, which supports the charity's educational work and environmental ethos.

Trustees' responsibilities statement

The trustees, who are also directors 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 law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

The Bay Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2020

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on22nd September 2021..... and signed on behalf of the board of trustees by:



Mr C Bicker
Director

The Bay Trust
Company Limited by Guarantee
Independent Auditor's Report to the Members of The Bay Trust
Year ended 30 September 2020

Opinion

We have audited the financial statements of The Bay Trust (the 'charity') for the year ended 30 September 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 charity's affairs as at 30 September 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

The Bay Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Bay Trust *(continued)*

Year ended 30 September 2020

Other information

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

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

We have nothing to report in this regard.

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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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.

The Bay Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Bay Trust *(continued)*

Year ended 30 September 2020

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Bay Trust

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Bay Trust *(continued)*

Year ended 30 September 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Laughton (Senior Statutory Auditor)

For and on behalf of
Burgess Hodgson LLP
Chartered accountants & statutory auditor

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

22nd September 2021

The Bay Trust
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 30 September 2020

		Unrestricted funds £	2020 Restricted funds £	Total funds £	2019 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	200,122	—	200,122	10,487
Charitable activities	6	134,107	—	134,107	407,662
Investment income	7	58,948	—	58,948	54,208
Other income	8	313,108	—	313,108	—
Total income		<u>706,285</u>	<u>—</u>	<u>706,285</u>	<u>472,357</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	9	22,311	—	22,311	63,540
Expenditure on charitable activities	10,11	976,818	—	976,818	999,293
Total expenditure		<u>999,129</u>	<u>—</u>	<u>999,129</u>	<u>1,062,833</u>
Net losses on investments	13	1,366,759	—	1,366,759	—
Net expenditure and net movement in funds		<u>(1,659,603)</u>	<u>—</u>	<u>(1,659,603)</u>	<u>(590,476)</u>
Reconciliation of funds					
Total funds brought forward		6,221,345	147,833	6,369,228	6,959,704
Total funds carried forward		<u>4,561,742</u>	<u>147,833</u>	<u>4,709,625</u>	<u>6,369,228</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 16 to 28 form part of these financial statements.

The Bay Trust
Company Limited by Guarantee
Statement of Financial Position
30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	18	3,824,022	3,893,511
Investments	19	1,975,569	5,270,569
		<u>5,799,591</u>	<u>9,164,080</u>
Current assets			
Stocks	20	1,354	9,172
Debtors	21	33,307	133,757
Cash at bank and in hand		402,788	240,740
		<u>437,449</u>	<u>383,669</u>
Creditors: amounts falling due within one year	22	<u>539,141</u>	<u>2,097,492</u>
Net current liabilities		<u>101,692</u>	<u>1,713,823</u>
Total assets less current liabilities		<u>5,697,899</u>	<u>7,450,257</u>
Creditors: amounts falling due after more than one year	23	<u>988,274</u>	<u>1,081,029</u>
Net assets		<u>4,709,625</u>	<u>6,369,228</u>
Funds of the charity			
Restricted funds		147,883	147,883
Unrestricted funds:			
Revaluation reserve		3,146,581	4,137,481
Other unrestricted income funds		1,415,161	2,083,864
Total unrestricted funds		<u>4,561,742</u>	<u>6,221,345</u>
Total charity funds	26	<u>4,709,625</u>	<u>6,369,228</u>

These financial statements were approved by the board of trustees and authorised for issue on 22nd September 2021, and are signed on behalf of the board by:



Mr C Bicker
Director

The notes on pages 16 to 28 form part of these financial statements.

The Bay Trust
Company Limited by Guarantee
Statement of Cash Flows
Year ended 30 September 2020

	2020 £	2019 £
Cash flows from operating activities		
Net expenditure	(1,659,603)	(590,476)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	110,554	109,226
Net losses on investments	1,366,759	—
Dividends, interest and rents from investments	(58,948)	(54,208)
Interest payable and similar charges	11,416	4,395
Loss on disposal of heritage assets	10,845	—
Accrued expenses/(income)	41,057	(27,370)
<i>Changes in:</i>		
Stocks	7,818	7,575
Trade and other debtors	100,450	(64,592)
Trade and other creditors	(1,284,138)	521,022
Cash generated from operations	(1,353,790)	(94,428)
Interest paid	(11,416)	(4,395)
Net cash used in operating activities	(1,365,206)	(98,823)
Cash flows from investing activities		
Dividends, interest and rents from investments	58,948	54,208
Purchase of tangible assets	(41,224)	(23,192)
Proceeds from sale of tangible assets	159	—
Proceeds from sale of heritage assets	(10,845)	—
Purchases of other investments	—	(6,283)
Proceeds from sale of other investments	1,928,241	—
Net cash from investing activities	1,935,279	24,733
Cash flows from financing activities		
Proceeds from borrowings	(399,263)	325,935
Payments of finance lease liabilities	(8,762)	(17,463)
Net cash (used in)/from financing activities	(408,025)	308,472
Net increase in cash and cash equivalents	162,048	234,382
Cash and cash equivalents at beginning of year	240,740	6,358
Cash and cash equivalents at end of year	402,788	240,740

The notes on pages 16 to 28 form part of these financial statements.

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 30 September 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Ripple Down House, Dover Road, Ringwould, Deal, Kent, CT14 8HE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The Bay Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The Charity's accounts have been prepared on the going concern basis, based on the availability of investments which can be realised to support activities, and on the understanding there will be continuing support in to the foreseeable future to the Charity from Trustees and entities with common Trustees.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Restricted funds can only be used for particular restricted purposes within the objectives 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 Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are recognised on the Statement of Financial Activities when the charity is legally entitled to the funds, any performance conditions attached to the items of income have been met, it is probable the income will be received and the amount can be quantified with reasonable accuracy.

Income received in advance of the provision of a service is deferred until the criteria for recognition are met.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Functional Property	- 2% straight line
Fixtures & Fittings	- 10% straight line
Motor Vehicles	- 25% reducing balance

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings are initially recognised at transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

4. Limited by guarantee

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is £1 per member of the company.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	122	—	122
Gift Aid	—	—	—
Grants			
Grants receivable	200,000	—	200,000
	<u>200,122</u>	<u>—</u>	<u>200,122</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations			
Donations	7,941	—	7,941
Gift Aid	46	—	46
Grants			
Grants receivable	—	2,500	2,500
	<u>7,987</u>	<u>2,500</u>	<u>10,487</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from Pines Calyx	8,799	8,799	40,602	40,602
Income from Rippledawn	37,145	37,145	190,309	190,309
Pines Garden Income	890	890	3,528	3,528
Tea Room Income	89,157	89,157	156,329	156,329
Other Income	8,579	8,579	3,394	3,394
Consultancy Income	(10,463)	(10,463)	13,500	13,500
	<u>134,107</u>	<u>134,107</u>	<u>407,662</u>	<u>407,662</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from investment properties	58,948	58,948	54,208	54,208

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

8. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Joint Venture income	186,353	186,353	—	—
Government grants	126,755	126,755	—	—
	<u>313,108</u>	<u>313,108</u>	<u>—</u>	<u>—</u>

9. Investment management costs

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Light and heat	2,428	2,428	2,438	2,438
Repairs & maintenance & management charges	17,058	17,058	61,102	61,102
Legal fees	2,825	2,825	—	—
	<u>22,311</u>	<u>22,311</u>	<u>63,540</u>	<u>63,540</u>

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Charitable activities	934,520	—	934,520
Support costs	42,298	—	42,298
	<u>976,818</u>	<u>—</u>	<u>976,818</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Charitable activities	939,052	2,083	941,135
Support costs	58,158	—	58,158
	<u>997,210</u>	<u>2,083</u>	<u>999,293</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Charitable activities	934,520	37,298	971,818	995,793
Governance costs	—	5,000	5,000	3,500
	<u>934,520</u>	<u>42,298</u>	<u>976,818</u>	<u>999,293</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

12. Analysis of support costs

	2020	2019
	£	£
Legal fees	37,298	54,658
Audit fees	5,000	3,500
	<u>42,298</u>	<u>58,158</u>

13. Net losses on investments

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains/(losses) on investment property	(1,366,759)	(1,366,759)	—	—

14. Net expenditure

Net expenditure is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	110,554	109,226
Loss/(gains) on disposal of heritage assets	10,845	(13,873)
Operating lease rentals	4,341	7,329

15. Auditors remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	5,000	3,500

16. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	391,167	383,486
Social security costs	20,299	21,765
Employer contributions to pension plans	4,727	2,934
	<u>416,193</u>	<u>408,185</u>

The average head count of employees during the year was 29 (2019: 31). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No.	No.
Operating activity staff	28	30
Administrative staff	1	1
	<u>29</u>	<u>31</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

16. Staff costs *(continued)*

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

17. Trustee remuneration and expenses

During the year payments of £Nil (2019: £5,748) were made to a trustee of the Charity, for consultancy work performed throughout the year.

No trustees received remuneration from the Charity for their role as trustees during the year. No expenses or benefits were paid to any trustees during the year.

18. Tangible fixed assets

	Functional Property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 October 2019	4,013,945	288,877	1,000	4,303,822
Additions	20,113	21,111	—	41,224
Disposals	—	—	(1,000)	(1,000)
At 30 September 2020	4,034,058	309,988	—	4,344,046
Depreciation				
At 1 October 2019	246,701	162,788	822	410,311
Charge for the year	80,594	29,941	19	110,554
Disposals	—	—	(841)	(841)
At 30 September 2020	327,295	192,729	—	520,024
Carrying amount				
At 30 September 2020	3,706,763	117,259	—	3,824,022
At 30 September 2019	3,767,244	126,089	178	3,893,511

Finance leases and hire purchase contracts

Included within the carrying value of tangible fixed assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Functional Property £
At 30 September 2020	101,447
At 30 September 2019	103,652

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

19. Investments

	Investment properties £
Cost or valuation	
At 1 October 2019	5,270,569
Additions	—
Disposals	<u>(3,295,000)</u>
At 30 September 2020	<u>1,975,569</u>
Impairment	
At 1 October 2019 and 30 September 2020	
Carrying amount	
At 30 September 2020	<u>1,975,569</u>
At 30 September 2019	<u>5,270,569</u>

All investments shown above are held at valuation.

Investment properties

Investment properties have been revalued based on valuations provided by the Trustees, and were last revalued at 30 September 2018. The Trustees believe that the valuations continue to reflect the open market value of the properties.

20. Stocks

	2020	2019
	£	£
Raw materials and consumables	<u>1,354</u>	<u>9,172</u>

21. Debtors

	2020	2019
	£	£
Trade debtors	17,563	30,962
Prepayments and accrued income	15,744	2,795
Other debtors	—	100,000
	<u>33,307</u>	<u>133,757</u>

The debtors above include the following amounts falling due after more than one year:

	2020	2019
	£	£
Other debtors	—	<u>100,000</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

22. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	37,417	393,098
Trade creditors	35,016	52,101
Accruals and deferred income	68,072	27,015
Social security and other taxes	45,989	58,828
Obligations under finance leases and hire purchase contracts	16,164	15,753
Other creditors	336,483	1,550,697
	<u>539,141</u>	<u>2,097,492</u>

Included in bank loans and overdrafts is an amount of £37,417 (2019: £393,098) which is secured by charges over properties owned by the Trust.

23. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	252,345	295,927
Obligations under finance leases and hire purchase contracts	45,929	55,102
Other creditors	690,000	730,000
	<u>988,274</u>	<u>1,081,029</u>

Included in bank loans and overdrafts is an amount of £252,345 (2019: £295,927) which is secured by charges over properties owned by the Trust.

Included in other creditors is an amount of £690,000 (2019: £730,000) which is secured by charges over a property owned by the Trust.

Other long term loans above include amounts repayable over 1 year on the following outstanding loans:

Cleary Foundation	690,000	730,000
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24. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2020	2019
	£	£
Not later than 1 year	16,164	15,753
Later than 1 year and not later than 5 years	45,929	55,102
	<u>62,093</u>	<u>70,855</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

25. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,727 (2019: £2,934).

26. Analysis of charitable funds

Unrestricted funds

	At 1 Oct 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2020 £
General fund	2,083,864	706,285	(999,129)	990,900	(1,366,759)	1,415,161
Revaluation reserve	4,137,481	—	—	(990,900)	—	3,146,581
	<u>6,221,345</u>	<u>706,285</u>	<u>(999,129)</u>	<u>—</u>	<u>(1,366,759)</u>	<u>4,561,742</u>

	At 1 Oct 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2019 £
General fund	2,674,757	469,857	(1,060,750)	—	—	2,083,864
Revaluation reserve	4,137,481	—	—	—	—	4,137,481
	<u>6,812,238</u>	<u>469,857</u>	<u>(1,060,750)</u>	<u>—</u>	<u>—</u>	<u>6,221,345</u>

Restricted funds

	At 1 Oct 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2020 £
Restricted Funds	147,833	—	—	—	—	147,833

	At 1 Oct 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2019 £
Restricted Funds	147,466	2,500	(2,083)	—	—	147,883

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 30 September 2020

26. Analysis of charitable funds (continued)

RESTRICTED FUNDS SPLIT

Restricted fund	£
Building Fund	130,533
Big Lottery Fund	9,850
Up on the Downs Fund	7,500
Total	147,883

Building Fund

The Building Fund is for a new purpose built education and training facility to compliment and expand the educational programmes at Rippledawn. It is being constructed using the latest designs in green technology and using sustainable materials where able.

Big Lottery Fund

A grant received to provide social activities in an outdoor environment for young people with additional needs.

Up on the Downs Fund

A grant received from the Up on the Downs Landscape Partnership scheme for the restoration and management of Bay Hill Grassland and Steps Bank Woodland.

27. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	3,713,906	110,116	3,824,022
Investments	1,975,569	–	1,975,569
Current assets	399,682	37,767	437,449
Creditors less than 1 year	(539,141)	–	(539,141)
Creditors greater than 1 year	(988,274)	–	(988,274)
Net assets	4,561,742	147,883	4,709,625

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	3,783,395	110,116	3,893,511
Investments	5,270,569	–	5,270,569
Current assets	345,902	37,767	383,669
Creditors less than 1 year	(2,097,492)	–	(2,097,492)
Creditors greater than 1 year	(1,081,029)	–	(1,081,029)
Net assets	6,221,345	147,883	6,369,228

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

28. Subsequent events

On 30 January 2020, the International Health Regulations Emergency Committee of the World Health Organisation declared the outbreak of the Covid-19 virus as a Public Health Emergency of International Concern. Since then, the Virus has spread to and impacted almost all countries around the world.

The Trustee's have considered the impact of the outbreak in relation to the Trust. The charity has had to temporarily close the site in response to the advice from the Government. The Trustee's have met to consider the fact this will result in a reduction of income from the site and considered the impact this will have on the Charity as a whole.

A number of decisions have been made in respect of this, which include:

- 1) Placing some of the site staff on furlough
- 2) Preparing forecasts and budgets and reviewing these on a regular basis
- 3) Considering encashing investment properties

As a result of the matters referred to above, the Trustees consider that the preparation of these financial statements on the going concern basis remains appropriate.

29. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2020 £	2019 £
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents	402,788	240,740
Trade debtors	17,563	30,962
	<u>420,351</u>	<u>271,702</u>
Financial liabilities measured at amortised cost		
Trade creditors	35,016	52,101
Accruals	63,072	27,015
Bank and other loans	1,310,070	2,936,978
	<u>1,408,158</u>	<u>3,016,094</u>

30. Analysis of changes in net debt

	At 1 Oct 2019 £	Cash flows £	At 30 Sep 2020 £
Cash at bank and in hand	240,740	162,048	402,788
Debt due within one year	(408,851)	355,270	(53,581)
Debt due after one year	(351,029)	52,755	(298,274)
	<u>(519,140)</u>	<u>570,073</u>	<u>50,933</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

31. Related parties

During the year Mr A Gould, a Trustee, lent the charity £nil (2019: £45,000), with repayments of £497,315 (2019: £95,000) made during the year. Interest of £12,000 (2019: £21,000) was charged in respect of the outstanding loan. At the balance sheet date Mr A Gould was owed £nil (2019: £485,315).

During the year Mr E Rube, a Trustee, lent the charity £nil (2019: £nil) with repayments of £50,000 (2019: £nil). Interest of £1,250 (2019: £2,625) was charged by Mr E Rube in respect of the outstanding loan. At the balance sheet date Mr E Rube was owed £36,175 (2019: £84,925).

During the year The Cleary Foundation have made loans to the charity of £90,000 (2019: £600,000). Mr A Gould & Mr C Bicker are trustees of the Bay Trust and the Cleary Foundation. In the current year repayments of £118,250 (2019: £nil) have been made. Interest of £36,995 was charged by The Cleary Foundation in respect of the outstanding loan. In the year, £200,000 was converted from a loan balance into a grant to the Bay Trust. At the balance sheet date the Bay Trust owes the Cleary Foundation £809,295 (2019: £1,000,550).

During the year the Helionix Group Limited invoiced the Bay Trust £10,098 (2019: £6,816) for work provided throughout the year. At the balance sheet date the company was owed £Nil (2019: £nil). Mr A Gould is a director of the Bay Trust and Helionix Group Limited.

During the year Mrs C Jackson received a salary from the Bay Trust of £25,077 (2019: £32,389) for services provided through out the year. Mrs C Jackson was a Director of the Bay Trust during the period.

MANAGEMENT REPORT TO

The Bay Trust

30 September 2020



Burgess Hodgson Chartered Accountants

Canterbury
July 2021

Contents

1. Introduction
2. Comments and recommendations arising from the audit

Appendices

- A. Your responsibilities
- B. Our responsibilities
- C. Proposed audit report to the trustees
- D. Uncorrected Misstatements

1. Introduction

Purpose of this report

The purpose of this report is to formally bring to the Trustees attention various matters arising from our recent audit of The Bay Trust.

Responsibilities

The Trustees of the charity are responsible for obtaining audited financial statements for each year.

As auditors, Burgess Hodgson LLP are responsible for forming an opinion on the financial statements and to report material inconsistencies with the Trustees Annual Report.

The respective responsibilities of the Trustees and of the auditors are set out in Appendices A and B to this report.

Limitations

Our audit work involves evaluating only those systems and internal controls active in your scheme upon which we rely for the purpose of determining our audit procedures. Accordingly our audit may not have identified, and this report should not be regarded as a comprehensive record of, all weaknesses that may exist or improvements that could be made.

Responsibility for the maintenance of an adequate system of internal control as well as the prevention and detection of irregularities and fraud rests with the Trustees. We are not required to search specifically for fraud and therefore our audit cannot be relied upon to disclose all such matters. However, our audit was planned so that we would have a reasonable expectation of detecting material misstatements in the accounts resulting from irregularities or fraud.

2. Comments and recommendations

VAT

We would recommend that a review is made into the calculation and presentation of the VAT, in particular relating to the partial exemption calculations and treatment of irrecoverable VAT every quarter, as this is a complicated area.

In particular, it is necessary for expenditure to be allocated appropriately to ensure input VAT is correctly treated as either being related in its entirety to either taxable or exempt supplies, or whether it is for goods and services which are used in the provision of both types of supply. From this, it is also necessary to compute an appropriate calculation to find the total input VAT recoverable – in some cases this appears to be based off incorrect formulae.

As part of the partial exemption exercise there must also be a full year calculation compared to the quarterly activity. If an annual adjustment is required, then this is processed in the first quarter after the annual review. We understand that no annual review has taken place this year. This should be corrected without delay, with a prior period amendment processed if necessary.

We have informed Jo of the above, and are happy to provide help if necessary to ensure the Trust complies with the necessary regulations.

Remuneration for Trustees

The current Articles do not permit a Trustee to be an employee of the Trust, or to receive salary through PAYE for services. In certain circumstances Trustees may be engaged to provide services providing appropriate conflicts are disclosed and approved by Trust members excluding the relevant position under review. You should ensure that any such meetings remain quorate and appropriate safeguards are considered having regard to the Charity Commission guidance on such matters.

During the year, Cary Jackson was appointed as the Chief Executive and made a director, with this being reflected at Companies House. It does not appear that Cary was notified to the Charity Commission as being a Trustee.

The articles of association does not distinguish between the role of director and trustee. Our impression is that the Board did distinguish this role and on that basis the appointment as a Director would appear to be an innocent error.

This matter was part of the Charity Commission review during the period and has, by default been acknowledged by the Commission. Do have regard to the procedures required should the matter be in point in the future.

Authorisation of expenditure and Tea Room

When performing our audit testing on fixed asset additions and expenditure for the year, we noted that invoices are rarely approved and authorised for payment by the Trustee's.

We would recommend an internal control procedure is put in place to ensure all expenditure is authorised prior to the receipt of the goods and services, or in advance of payment. This will ensure all expenses are being reviewed to confirm they fit towards the charitable purpose of the Trust, and all amounts are agreed by Trustees.

We also noted similar issues with authorisation procedures for the Tea Room, as the cash sheets are now electronic it is not now clear whether authorisation and segregation of duties takes place. A space could be entered on the spreadsheet used to allow names of the staff involved in the count to be entered so they can be referenced to.

Cut-off

When reviewing the cut-off of expenditure and income for the Trust, we noted several instances which have been recorded as Errors Found Not Corrected where cut-off has been applied incorrectly. These items are not material to the accounts and have not been adjusted. The majority of errors were noted where expense invoices received and dated shortly post yearend related to expenditure in the financial year.

We would recommend that the ledgers are reviewed carefully, in particular items in Sept/Oct as these surround the year end, to ensure income and expenditure is recognised in the correct period of accounts.

Tridos bank account

On review of the bank accounts, we were not able to view statements for a Tridos bank account, as such no movement has been recorded on this. The Trust shows a balance of £47 in respect of this.

Deferred income

We reviewed the deferred income and the increase in this area, this was on the basis that events booked for summer 2020 were postponed to 2021.

There are 12 separate nominal ledgers run for deferred income, split for the certain events booked, some of which have debit balances and some credits. Although the overall balance was tested and was materially correct, we would expect all ledgers to be credit balances. A review to allocate the deferred income appropriately between the separate codes would be useful for management purposes and tracking the events.

Property transactions

In the year three investment properties were disposed of by the Trust. While documented to some extent in the minutes, much of the decision making and Trustee discussion in relation to the disposals does not appear to be adequately documented.

We would recommend an improvement of the documentation of extraordinary or significant transactions, including Trustee involvement for major decisions, and any advice or sought to aid decision making.

The Bay Trust

Report to the Trustees
30 September 2020

Going concern

The Trust has been considered a going concern based on the strong reserve position, but this has been worsening year by year.

The accounting results in the current year have been aided as a result of 'one-off' income which will not be available in the long term, including a £200k loan due to the Cleary Foundation being converted to a grant, government support in relation to the Covid-19 pandemic, and the fees earned in relation to the project for 1 & 2 St Margaret's. The cashflow was also aided by the sale of 3 investment properties in the year. As a result of these sales income from investment properties will also be reduced in the upcoming year. These are not regular items of income or cash, and cannot be expected again in the upcoming 12 months.

The results for the charitable activities being the income from the Pines Calyx, Rippledawn House and the Tea Room were significantly worse in the year to 30 September 2020, and will have continued to be poor as a result of the lockdown and other responses to the Covid-19 pandemic.

It is important the Trustee's consider a sustainable plan moving forwards to ensure the Trust remains sustainable while still fulfilling the charitable objectives.

Appendix A

Your Responsibilities

As Trustees, law applicable to charities in England and Wales requires you to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the scheme and of the financial development of the scheme for that period.

In preparing these Financial Statements, you are required to:

- Select suitable accounting policies and then apply them consistently;
- 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 and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the plan will not be wound up in the foreseeable future.

You are responsible for keeping adequate accounting records and for taking such reasonable steps to safeguard the assets of the scheme and to prevent and detect fraud and other irregularities.

You are also responsible for making available to us, as and when required, all the charity's accounting records and all other records and related information, including minutes of all Trustee and committee meetings. We shall also be entitled to require from the charity's officers, controllers and employees such information and explanations as we think necessary for the performance of our duties.

Appendix B

Our Responsibilities

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

We have a responsibility to report to the Trustees our opinion as to whether the Financial Statements show a true and fair view and contain the information required by the relevant legislation.

We also report to the Trustees if, in our opinion, the Annual Report is not consistent with the Financial Statements, if the charity has not maintained proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity are not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or materials inconsistencies with the Financial Statements.

In arriving at our opinions we are required to consider the following matters and to report on any in respect of which we are not satisfied.

We are required to:

- Conduct our audit in such a manner as we consider necessary to fulfil our responsibilities and include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary;
- Obtain an understanding of the accounting systems which you maintain on behalf of the plan in order to assess its adequacy as a basis for the preparation of the Financial Statements;
- Establish whether proper accounting records have been maintained;
- Obtain such relevant and reliable evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom.

Appendix C

PROPOSED INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BAY TRUST FOR THE YEAR ENDED 30 SEPTEMBER 2020

Opinion

We have audited the financial statements of The Bay Trust (the 'charity') for the year ended 30 September 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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).

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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 trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material

The Bay Trust

Report to the Trustees

30 September 2020

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

BURGESS HODGSON LLP
Chartered Accountants
& Statutory Auditor

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Appendix D

Uncorrected Misstatements

The following errors were noted during the course of our audit and remain uncorrected:

Presentation of trade debtors

	Dr	Cr
Trade debtors		1,680.00
Sales	1,680.00	
Trade debtors		226.11
Sales	226.11	

Minor calculation errors on prepayments

Income cut-off presentation

	Dr	Cr
Accrued income	274.14	
Sales		274.14

Tea room income from cards earned prior to Sept 2020 but recognised after

Expenses cut-off presentation

	Dr	Cr
Expenses	1,546.78	
Accruals		1,546.78

Expenses invoices presented in incorrect period.