

COMPANY REGISTRATION NUMBER: 02808349
CHARITY REGISTRATION NUMBER: 1026765

The Bay Trust
Company Limited by Guarantee
Financial Statements
30 September 2021

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 2021

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The Bay Trust
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 30 September 2021

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 2021.

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 K Kneale
Ms E Pette
Mr E Rube

Auditor

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

The Bay Trust

Company Limited by Guarantee

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

Year ended 30 September 2021

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 2021

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 2021

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 2021

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

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 investment property portfolio (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 2021

Financial review

The year has been a challenge with the sound management and improvement of its property assets and the investment needed; the continuing evolution of the research and development aspects of a sustainable, low carbon world; and the education of children and young people in nature and sustainability.

The charity has reached the end of its previous three-year asset improvement plan; and completed the disposal of various investment property assets as planned. These disposals have occurred over the period of these accounts and in the subsequent 9 month period, significantly reducing the overall indebtedness of the Charity. These actions will now directly increase the trusts ability to produce more outcomes in line with its charitable objects. Alongside the completion of this strategy, the Trust continues to make changes and investments to management and staffing to support the further research and development of outdoor education resources and learning to meet the changing policies, contracts and demands for outdoor learning and the health and wellbeing outcomes of engaging with nature.

The past three years of improvement, development and disposal of property assets and improving operational systems has placed a considerable burden on cash flow. Now, with the planned property sales completed, the Trust has a property portfolio that directly works to achieve its charitable objectives, whilst at the same time increases its operational capacity for future developments as listed below.

The principle funding sources of the charity are 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.

Total Funds available to the charity at the year-end totalled £4,242,784 (2020: £4,709,625). This total is made up of £4,094,901 (2020: £4,561,742) Unrestricted Funds; and £147,883 (2020: £147,883) Restricted Funds.

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

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

Year ended 30 September 2021

Plans for future periods

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

- (i) The establishment of new strategic partnerships with other charitable and environmental organisations with aligned purpose and direction,
- (ii) To continue with the development of strong partnerships that support the Trust's Outdoor Learning programme expansion, underpinned by a regional Outdoor Learning Research Network for the South East linked to the national Institute for Outdoor Learning.
- (iii) To continue to build on the foundations of the Futures Academy summit co-organised with Canterbury Christ Church University in 2018 and focusing on concepts of sustainable communities, to help develop innovative work placements and courses that develop environmental and socially-entrepreneurial skills.
- (iv) To establish the Pines Calyx as a Centre for health and wellbeing connected with nature offering therapeutic space for hire to health practitioners to work with communities to support public health and wellbeing and eventually offer social prescribing programmes to local GP practices, including as a response to the healthcare challenges link to the COVID-19 Pandemic.
- (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. Such organisations may include the Kent Downs AONB partnership, The Carbon Free Group, Action with Communities in Rural Kent and The Cleary Foundation.
- (vi) To diversify and expand use of our sites for corporate and charitable purposes and raise the profile of our causes in relation to sustainability, conservation and preservation.
- (vii) To develop new, and strengthen existing, partnerships to underpin work that serves our charitable purposes and increases awareness of a coherent 'The Bay Trust' brand.

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.

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

Year ended 30 September 2021

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 on ~~27th June 2022~~ 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 2021

Opinion

We have audited the financial statements of The Bay Trust (the 'charity') for the year ended 30 September 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

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

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

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

The Bay Trust

Company Limited by Guarantee

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

Year ended 30 September 2021

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 2021

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.

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

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.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered: the nature of the industry, control environment and performance of the entity.

We also consider the results of our enquiries of management, relating to their own identification and assessment of the risks of irregularities and possible related fraud. This includes reviewing available documentation on their policies and procedures and performing tests of controls to evidence their effectiveness.

Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit.

The Bay Trust

Company Limited by Guarantee

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

Year ended 30 September 2021

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.

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.



Andrew Collyer (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

28 June 2022

The Bay Trust
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 30 September 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	3,501	—	3,501	200,122
Charitable activities	6	165,019	—	165,019	134,107
Investment income	7	36,031	—	36,031	58,948
Other income	8	98,885	—	98,885	313,108
Total income		<u>303,436</u>	<u>—</u>	<u>303,436</u>	<u>706,285</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	9	6,692	—	6,692	22,311
Expenditure on charitable activities	10,11	763,585	—	763,585	976,818
Total expenditure		<u>770,277</u>	<u>—</u>	<u>770,277</u>	<u>999,129</u>
Net losses on investments	13	—	—	—	1,366,759
Net expenditure and net movement in funds		<u>(466,841)</u>	<u>—</u>	<u>(466,841)</u>	<u>(1,659,603)</u>
Reconciliation of funds					
Total funds brought forward		4,561,742	147,883	4,709,625	6,369,228
Total funds carried forward		<u>4,094,901</u>	<u>147,883</u>	<u>4,242,784</u>	<u>4,709,625</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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	18	3,720,890	3,824,022
Investments	19	2,002,486	1,975,569
		<u>5,723,376</u>	<u>5,799,591</u>
Current assets			
Stocks	20	1,216	1,354
Debtors	21	17,560	33,307
Cash at bank and in hand		49,798	402,788
		<u>68,574</u>	<u>437,449</u>
Creditors: amounts falling due within one year	22	<u>738,331</u>	<u>539,141</u>
Net current liabilities		<u>669,757</u>	<u>101,692</u>
Total assets less current liabilities		<u>5,053,619</u>	<u>5,697,899</u>
Creditors: amounts falling due after more than one year	23	<u>810,835</u>	<u>988,274</u>
Net assets		<u>4,242,784</u>	<u>4,709,625</u>
Funds of the charity			
Restricted funds		147,883	147,883
Unrestricted funds:			
Revaluation reserve		3,146,581	3,146,581
Other unrestricted income funds		948,320	1,415,161
Total unrestricted funds		<u>4,094,901</u>	<u>4,561,742</u>
Total charity funds	26	<u>4,242,784</u>	<u>4,709,625</u>

These financial statements were approved by the board of trustees and authorised for issue on 22nd June 2022..., 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 2021

	2021 £	2020 £
Cash flows from operating activities		
Net expenditure	(466,841)	(1,659,603)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	111,881	110,554
Net losses on investments	–	1,366,759
Dividends, interest and rents from investments	(36,031)	(58,948)
Interest payable and similar charges	7,604	11,416
Loss on disposal of heritage assets	775	10,845
Accrued (income)/expenses	(3,483)	41,057
<i>Changes in:</i>		
Stocks	138	7,818
Trade and other debtors	15,747	100,450
Trade and other creditors	28,490	(1,284,138)
Cash generated from operations	(341,720)	(1,353,790)
Interest paid	(7,604)	(11,416)
Net cash used in operating activities	<u>(349,324)</u>	<u>(1,365,206)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	36,031	58,948
Purchase of tangible assets	(8,749)	(41,224)
Proceeds from sale of tangible assets	–	159
Proceeds from sale of heritage assets	(775)	(10,845)
Purchases of other investments	(26,917)	–
Proceeds from sale of other investments	–	1,928,241
Net cash (used in)/from investing activities	<u>(410)</u>	<u>1,935,279</u>
Cash flows from financing activities		
Proceeds from borrowings	12,908	(399,263)
Payments of finance lease liabilities	(16,164)	(8,762)
Net cash used in financing activities	<u>(3,256)</u>	<u>(408,025)</u>
Net (decrease)/increase in cash and cash equivalents	(352,990)	162,048
Cash and cash equivalents at beginning of year	402,788	240,740
Cash and cash equivalents at end of year	<u>49,798</u>	<u>402,788</u>

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 2021

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 company holds investments in Fixed Assets which it can sell to generate cash to continue to meet payments on balances as they fall due.

Since the yearend, on 27 January 2022, the Trust sold the investment property at St Margarets Road for a sale price of £700,000. This will be used to help pay loan and other creditor balances as they fall due.

As a result of the assets The Bay Trust holds, the Trustees believe that the Charity remains a going concern for the foreseeable future.

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.

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2021

3. Accounting policies *(continued)*

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.

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.

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2021

3. Accounting policies *(continued)*

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

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.

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2021

3. Accounting policies *(continued)*

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.

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 £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	3,501	3,501	122	122
Grants				
Grants receivable	—	—	200,000	200,000
	<u>3,501</u>	<u>3,501</u>	<u>200,122</u>	<u>200,122</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from Pines Calyx	14,880	14,880	8,799	8,799
Income from Rippledawn	44,736	44,736	37,145	37,145
Pines Garden Income	530	530	890	890
Tea Room Income	104,378	104,378	89,157	89,157
Other Income	495	495	8,579	8,579
Consultancy Income	—	—	(10,463)	(10,463)
	<u>165,019</u>	<u>165,019</u>	<u>134,107</u>	<u>134,107</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	<u>36,031</u>	<u>36,031</u>	<u>58,948</u>	<u>58,948</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2021

8. Other income

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Joint Venture income	–	–	186,353	186,353
Government grants	98,885	98,885	126,755	126,755
	<u>98,885</u>	<u>98,885</u>	<u>313,108</u>	<u>313,108</u>

9. Investment management costs

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Light and heat	1,692	1,692	2,428	2,428
Repairs & maintenance & management charges	5,000	5,000	17,058	17,058
Legal fees	–	–	2,825	2,825
	<u>6,692</u>	<u>6,692</u>	<u>22,311</u>	<u>22,311</u>

10. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Charitable activities	722,088	722,088	934,520	934,520
Support costs	41,497	41,497	42,298	42,298
	<u>763,585</u>	<u>763,585</u>	<u>976,818</u>	<u>976,818</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
Charitable activities	722,088	36,497	758,585	971,818
Governance costs	–	5,000	5,000	5,000
	<u>722,088</u>	<u>41,497</u>	<u>763,585</u>	<u>976,818</u>

12. Analysis of support costs

	2021 £	2020 £
Legal fees	36,497	37,298
Audit fees	5,000	5,000
	<u>41,497</u>	<u>42,298</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2021

13. Net losses on investments

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Gains/(losses) on investment property	<u>—</u>	<u>—</u>	<u>(1,366,759)</u>	<u>(1,366,759)</u>

14. Net expenditure

Net expenditure is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	111,881	110,554
Loss on disposal of heritage assets	775	10,845
Operating lease rentals	<u>4,007</u>	<u>4,341</u>

15. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>5,000</u>	<u>5,000</u>

16. Staff costs

The average head count of employees during the year was 31 (2020: 29). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Operating activity staff	30	28
Administrative staff	<u>1</u>	<u>1</u>
	<u>31</u>	<u>29</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

17. Trustee remuneration and expenses

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.

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2021

18. Tangible fixed assets

	Functional Property £	Fixtures and fittings £	Total £
Cost			
At 1 October 2020	4,034,058	309,988	4,344,046
Additions	2,600	6,149	8,749
At 30 September 2021	4,036,658	316,137	4,352,795
Depreciation			
At 1 October 2020	327,295	192,729	520,024
Charge for the year	80,729	31,152	111,881
At 30 September 2021	408,024	223,881	631,905
Carrying amount			
At 30 September 2021	3,628,634	92,256	3,720,890
At 30 September 2020	3,706,763	117,259	3,824,022

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 2021	99,241
At 30 September 2020	101,447

19. Investments

	Investment properties £
Cost or valuation	
At 1 October 2020	1,975,569
Additions	26,917
At 30 September 2021	2,002,486
Impairment	
At 1 October 2020 and 30 September 2021	
Carrying amount	
At 30 September 2021	2,002,486
At 30 September 2020	1,975,569

All investments shown above are held at valuation.

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 30 September 2021

19. Investments (continued)

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

	2021	2020
	£	£
Raw materials and consumables	<u>1,216</u>	<u>1,354</u>

21. Debtors

	2021	2020
	£	£
Trade debtors	14,701	17,563
Prepayments and accrued income	<u>2,859</u>	<u>15,744</u>
	<u>17,560</u>	<u>33,307</u>

22. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	40,425	37,417
Trade creditors	26,370	35,016
Accruals and deferred income	64,589	68,072
Social security and other taxes	44,314	45,989
Obligations under finance leases and hire purchase contracts	17,379	16,164
Other creditors	<u>545,254</u>	<u>336,483</u>
	<u>738,331</u>	<u>539,141</u>

Included in bank loans and overdrafts is an amount of £37,092 (2020: £37,417) which is secured by charges over properties owned by the Trust.

Included in other creditors is an amount of £303,400 (2020: £nil) which is secured by charges over a property owned by the Trust.

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

	2021	2020
	£	£
Bank loans and overdrafts	262,245	252,345
Obligations under finance leases and hire purchase contracts	28,550	45,929
Other creditors	<u>520,040</u>	<u>690,000</u>
	<u>810,835</u>	<u>988,274</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2021

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

Included in bank loans and overdrafts is an amount of £215,578 (2020: £252,345) which is secured by charges over properties owned by the Trust.

Included in other creditors is an amount of £520,040 (2020: £690,000) 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	520,040	690,000
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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:

	2021	2020
	£	£
Not later than 1 year	17,379	16,164
Later than 1 year and not later than 5 years	28,550	45,929
	<u>45,929</u>	<u>62,093</u>

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 £4,196 (2020: £4,727).

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 30 September 2021

26. Analysis of charitable funds

Unrestricted funds

	At 1 Oct 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2021 £
General fund	1,415,161	303,436	(770,277)	–	–	948,320
Revaluation reserve	3,146,581	–	–	–	–	3,146,581
	<u>4,561,742</u>	<u>303,436</u>	<u>(770,277)</u>	<u>–</u>	<u>–</u>	<u>4,094,901</u>

	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>

Restricted funds

	At 1 Oct 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2021 £
Restricted Funds	147,883	–	–	–	–	147,883

	At 1 Oct 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 Sep 2020 £
Restricted Funds	147,883	–	–	–	–	147,883

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 30 September 2021

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 2021 £
Tangible fixed assets	3,610,774	110,116	3,720,890
Investments	2,002,486	—	2,002,486
Current assets	30,807	37,767	68,574
Creditors less than 1 year	(734,998)	—	(734,998)
Creditors greater than 1 year	(814,168)	—	(814,168)
Net assets	4,094,901	147,883	4,242,784

	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

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2021

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:

	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents	24,314	402,788
Trade debtors	24,340	17,563
	<u>48,654</u>	<u>420,351</u>
Financial liabilities measured at amortised cost		
Trade creditors	26,370	35,016
Accruals	60,251	63,072
Bank and other loans	—	1,310,070
	<u>86,621</u>	<u>1,408,158</u>

30. Analysis of changes in net debt

	At 1 Oct 2020 £	Cash flows £	At 30 Sep 2021 £
Cash at bank and in hand	402,788	(352,990)	49,798
Debt due within one year	(53,581)	(4,223)	(57,804)
Debt due after one year	(298,274)	7,479	(290,795)
	<u>50,933</u>	<u>(349,734)</u>	<u>(298,801)</u>

The Bay Trust
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2021

31. Related parties

During the year Mr E Rube, a Trustee, lent the charity £50,000 (2020: £nil) with repayments of £36,175 (2020: £50,000). Interest of £nil (2020: £1,250) was charged by Mr E Rube in respect of the outstanding loan. At the balance sheet date Mr E Rube was owed £50,000 (2020: £36,175).

During the year The Cleary Foundation have made loans to the charity of £nil (2020: £90,000). Mr A Gould & Mr C Bicker are trustees of the Bay Trust and the Cleary Foundation. In the current year repayments of £19,500 (2020: £118,250) have been made. Interest of £33,645 (2020: £36,995) was charged by The Cleary Foundation in respect of the outstanding loan. At the balance sheet date the Bay Trust owes the Cleary Foundation £823,440 (2020: £809,295).