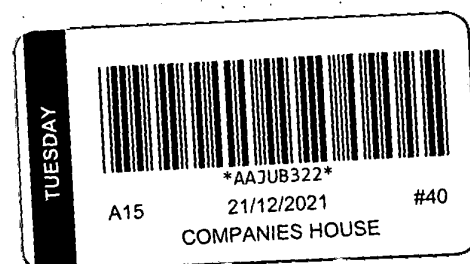


Registered number: 07931728
Charity number: 1146481

The Kenward Trust
(A company limited by guarantee)

Trustees' report and consolidated financial statements
for the year ended 31 March 2021



The Kenward Trust
(A company limited by guarantee)

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The Kenward Trust
(A company limited by guarantee)

**Reference and administrative details of the Charity, its Trustees and advisers
for the year ended 31 March 2021**

Trustees

P Andrews, Chair of Kenward Enterprises
P Brook
S Belton
J Elks, Chair of Spirituality Committee
Dr. A Jones
H Kendall
B Langstaff (resigned 23 June 2021)
G Monk
A Parvin
J Simon (resigned 24 March 2021)
S Thomson, Chair of Quality Assurance Committee
S Webster, Chair of the Finance Committee
C Munday, Chair of Board of Trustees (appointed 23 June 2021)
A Price (appointed 24 March 2021)

Company registered number

07931728

Charity registered number

1146481

Registered office

Kenward House
Kenward Road
Yalding
Maidstone
Kent
ME18 6AH

Company secretary

Keith Greenhalgh

Chief executive officer

Penny Williams

Independent auditor

Kreston Reeves LLP
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

The Kenward Trust
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers (continued)
for the year ended 31 March 2021

Solicitors

Whitehead Monckton Limited
72 King Street
Maidstone
Kent
ME14 1BL

The Kenward Trust
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the Kenward Trust for the year 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

About Us

Kenward Trust provides support to those affected by addiction, homelessness and crime.

The Trust was founded in 1968 by Ray and Violet Sinden, a couple with a strong Christian faith. The couple's eldest daughter, Olive, was friendly with a Church Army Captain who worked amongst the homeless individuals on the streets of London. Many of them had been sober for some weeks and wished to remain in recovery, but there was no place that would give them shelter. Ray decided to take some of these men home for rehabilitation, but one quickly turned into three and their farm in Sevenoaks became overcrowded. The family sold up and purchased our estate in Yalding, which is where Kenward began.

From those modest beginnings, the Trust today takes in around 100 residents each year across five buildings, as well as reaching hundreds of young people through prevention initiatives and helping others with advice and support.

Why our work is important

At Kenward Trust we provide a breadth of services, all with the same aim of helping support those with addiction issues to transform their lives and create new futures for themselves away from their addictions. Our work centres upon giving people the opportunity to change their lives and reach their full potential, and with a success ratio of 73% out work is successful for the vast majority who access it.

Treatment for alcohol-related injuries is estimated to cost the NHS £3.5 billion per year.¹

There were 1.3 million hospital admissions related to alcohol in 2019, which equates to 3,600 admissions a day.²

There were 4,393 deaths relating to drug poisoning in 2019.³

References:

1 <https://www.england.nhs.uk/2019/01/nhs-long-term-plan-will-help-problem-drinkers-and-smokers/>

2 <https://digital.nhs.uk/data-and-information/publications/statistical/statistics-on-alcohol/2020/part-1>

3 <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsrelatedtodrugpoisoninginenglandandwales/2019registrations>

Our Vision, Mission, Values & Christian Ethos

Our Vision:

Every individual suffering with addiction issues receives the support they need to transform their lives.

Our Mission:

To support and empower all individuals affected by addiction and homelessness so they can transform their lives and create new futures.

Our Values:

Kenward Trust's values are at the heart of everything we do.

Open-minded

We are open to new ways of collaborative working and being flexible to meet the needs of the individuals who require our support.

The Kenward Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 March 2021

Care

Care is central to everything that we do. We are compassionate and supportive within our staff team as well as to our residents.

Empathy

We listen. Every voice is heard and appreciated and all of our services are judgement-free.

Empowerment

We empower all that access or run our services in order for them to reach their full potential.

Education

Being informed and reducing stigma around addiction, homelessness and crime guides all aspects of our work.

Our Christian Ethos:

Our Christian Ethos underpins the way we help people in crisis. We aim to reach out to those who are on the margins of society and we believe that everyone deserves a second chance.

Chairman - C Munday

I took over as Chair in June 2021 at an exciting time for Kenward Trust. The team are to be commended for their diligence during the pandemic and have not just survived but developed the charity to meet the changing needs of our society.

This sector has struggled with lack of funding for over a decade but Kenward Trusts innovative development of services from alpaca walks to repurposing the accommodation to meet the needs of new clients such as the homeless has been exceptional in terms of its own financial recovery.

I look forward to the next year with the Trust, and looking to see the developments we are making come into fruition.

CEO - P Williams

2020 the year everyone will remember.

The new financial year for Kenward Trust, started in lockdown and the team worked tirelessly, adopting new safety protocols and flexible working practices. Kenward Place, incorporating, Sage & Time Café closed for business, along with the conference centre, alpaca walks and fundraising events.

The business plan was focused on self-funders for stage one, filling the Move On Properties and building upon the increased revenue from Kenward Enterprises. The pandemic changed our focus but we have been flexible and developed around these challenges.

Re-engaging with more alcohol and drug units in councils, government funding to keep more people safe when they were homeless and running an efficient quarantine meant we actually saw numbers increase in Stage One. There was an increased demand for Move On accommodation and fortunately having sold Portland Road, Gravesend property in January 2020, the Trust could invest in developing the Uckfield property to be home for 15 residents, from 7 previously, to meet this demand. Strategically, this was an important step for the Trust, and looking forwards, the aim is to expand our Move On portfolio in the East of Kent.

Flexibility has been key during this year and moving forwards it will be a continual theme. Utilising our property and skills to meet more needs and engagement with more customers to increase our income. Development of services and income streams in each of our services is key to future consistency of profit and growth, with the overall aim of investment in more properties.

I am proud of the team at Kenward Trust and look forward to our continued growth and success into the next few years.

The Kenward Trust
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 March 2021

Residential Rehabilitation

Kenward's Therapeutic Community offers rehabilitation to those suffering with addiction to drugs and alcohol. We use the 'recovery model' which encourages the individual to take control of their life and how they experience it. We do this through empowering and educating our residents to equip them with the skills they need to be able to transform their own lives and create their future in the community whilst remaining in recovery. Our programme offers groups, Therapeutic Gardens & Workshops, life skills, psychoeducation, coping mechanisms, relaxation, spirituality, meditation, key working, counselling and optional aspects of fellowship.

This year has been incredibly challenging for us, as it has been for the entire charitable sector. The majority of our residents are at high risk for the coronavirus so keeping the virus off our site was vital in maintaining our high level of care. Fortunately we managed this due to the hard work of our dedicated staff team implementing an isolation block for new admissions and testing all staff and residents routinely.

The main aim we continue with for the next year is keeping our occupancy levels at a sustainable level for the future and reaching more self-funded clients for whom we receive a higher yield that helps to support the overall running costs of the Trust. We have developed our gym for the residents this year thanks to grants from The Blakemore Foundation and the Peter Harrison Charitable Trust, which has been so beneficial in helping our residents improve their physical health, which in turn helps improve their mental wellbeing. Next year, we would like to re-develop our educational offering for our residents to help them become job ready, and provide further skills to help them in their new lives in recovery.

This year we helped transform the lives of 96 individuals affected by addiction. 70% of those who accessed our service needed support with their alcohol use. Over 1/5 of our residents had a housing issue upon arrival that could affect their recovery once leaving our services.

"My name is James.

I have been with the Kenward trust for four months now.

I was homeless and under the influence of drugs and alcohol, and felt like I had nothing to live for.

Now I am four months clean and sober, and feel like there is a future.

They not only provided me with help and support,

But also with kindness, trust and a great friendship which has picked me up and guided me to a better future.

I continue to better myself every day, and feel like I have had a new start.

I thank all the staff for their time and support.

And now look forward to the rest of my life".

James Wiggins

Day Treatment

Kenward Trust's day treatment offers flexible, confidential, and affordable support to those affected by addiction to alcohol and drugs. This service was originally created as we understand that not everyone who needs access to our rehabilitation service will be eligible for statutory funding or be able to afford to fund their stay privately. Additionally, running this service flexibly, by both running it via Zoom and in person, and at times that are convenient for the beneficiaries means that we are able to help more individuals who otherwise would fall through the net of support available.

We were originally due to launch this project in March 2020, but the pandemic caused us to have to re-evaluate and adapt our original plan for the service to be exclusively remote and greatly restricted our marketing for this service within the community. We did still manage to provide our support for a few individuals within the first few months, but since then our counselling has become very popular and the rest is growing. This has been a challenging year for this service to have launched, but we are positive that given the chance it will grow to be incredibly successful and help to bridge some of the deficit in income, whilst helping us continue supporting those affected by addiction.

The Kenward Trust
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Trustees' report (continued)
for the year ended 31 March 2021

Another service we added to our Day Treatment offering this year is our Friends, Family & Loved Ones support group which is free and runs via Zoom with a member of our expert team. This is a service we are incredibly passionate about after hearing from the family members of those who are affected by addiction calling through to us for many years. Although this service brings us in no direct income, we believe it will raise awareness of the Trust as a centre of excellence in the addiction field, and also potentially lead to more referrals to our other services.

Resettlement

Kenward Trust's Resettlement projects offers supported accommodation to those who are abstinent and wanting to continue their recovery into the community with some further support. We offer two supported resettlement projects, Kenward Lodge, and Move On houses across Kent and East Sussex. Kenward Lodge takes in homeless individuals who struggle to access community drug and alcohol services due to having a lack of accommodation for up to 12 weeks. This can then flow through to our Move On accommodation which offers longer-term support of up to two years where we offer regular support from their keyworker, but encourage residents to become active in the community through volunteering and linking in with recovery groups available in the area. We find that our residents benefit from living amongst a group of peers, drawing strength and support from each other, and reducing the dangers of isolation. Our Resettlement projects help to sustain recovery and reintegration into the community as independent individuals.

This year our Move On accommodation has proven to be more important and impactful than possibly ever before, with our service providing our beneficiaries a safe, COVID-free environment during a particularly difficult part of their recovery journey. We have managed to keep our residents safe this year and expanded our accommodation at Uckfield alongside improving the outdoor areas thanks to a grant from Nationwide. The pandemic was particularly difficult for residents of Kenward Lodge as our main aim for this project is to encourage them to engage more with the community, which was not available during lockdowns. Therefore, we have been working on developing our offering to the residents of this project to ensure that they are receiving additional support from us to assist them in their recovery.

Our main aim for next year is to gain more accommodation for our Move On project, and therefore be able to help more individuals, and also increase our revenue. This year we lost one of our properties in Gravesend, but gained one in Canterbury, which is proving to be more popular for our residents, so looking for additional properties around Kent will be hugely beneficial. Additionally, we want to work on our educational offering for our residents to help them become job ready once leaving our service.

This year we have helped 31 individuals by providing safe, secure accommodation and support to help them continue their recovery in the community.

"Due to my alcoholism I was in need of professional help and Kenward was found for me via Live Well. I have had bad experiences in the past with rehab and was apprehensive. However, Kenward Lodge exceeded all my dreams. Everyone was really helpful and the staff have been amazing. Us residents are all in the same boat and that has been helpful.

In my opinion, it has been more beneficial than winning the lottery. I have a start of a new life.

The transition to the move on was easier than I thought. We all have our bad days but moving on has been a good experience.

If you are offered the opportunity, don't be a fool, grab it with both hands."

The Kenward Trust
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Trustees' report (continued)
for the year ended 31 March 2021

Gary Chandler

Youth Work

Our Youth Team works closely with education settings as well as local authorities to provide education, information and early interventions to young people about the risks associated with drugs and alcohol. The overarching aim of the project is to ensure that young people are fully informed on all areas surrounding substances so they can make their own choices in the future.

The pandemic put a strain on this project as schools and other educational settings remained closed during large portions of the year. Our outreach services however, continued throughout the entire pandemic, with our team being one of the only groups continuing to provide support throughout. Due to this, we furloughed our Think Differently team during the first lockdown and then brought them back with the schools beginning to re-open. We adapted quickly from there, offering online sessions for pupils as well as in person sessions with proper precautions taken. Additionally, thanks to funding from KCC we were able to begin Cascade Training in schools in Sevenoaks and Tunbridge Wells, which involves students in years 12 and 13 taking part in our sessions, before teaching their learning to younger pupils. This has proven to be incredibly successful and we are very pleased to have received such positive feedback.

We released our film and learning resource to 161 educational settings across Kent for free this year due to grants from Colyer-Fergusson, Kent Community Foundation, Henry Oldfield Trust and Gibbs Laidler. The feedback we have received has been very positive and next year we hope to be able to sell this resource further afield and bring more of a profit to the Trust.

Next year we will look into these services and how they are priced, to ensure that they are contributing financially back into the Trust, and helping alleviate their own overhead costs. Moreover, to help reach this goal, we will look into more Trusts and Corporates who will be willing to fund our work with young people across the South-East.

100% of students surveyed said they were more likely to avoid risky behaviours and situations regarding alcohol and substance use following a Think Differently session.

"I just wanted to say that the presentation... was amazing. In my 20 years at this school, I have seen some excellent presentations but this one was outstanding. It was very obvious throughout that the students were captivated by his story and hopefully they will take onboard all that he had to say."

Kenward Place

Kenward Place is the commercial enterprise at Kenward Trust which helps to raise worthwhile funds for the charity. It does this through our conference rooms, alpaca experiences, archery, disc golf, and away days. During the pandemic we had to close Kenward Place, so we took this opportunity to evaluate the running of the enterprise to keep it as safe as possible for our staff and residents during the pandemic, and also more financially sustainable in the long term. To achieve this, we took the decision to create an e-commerce element on our website to make booking the activities with us directly more efficient, and made the site inaccessible unless someone has pre-booked with us.

These changes have made a significant impact on our financial viability, and going forward we are looking to build on our offering to the public, ensuring that we have the facilities and resources available to grow, and therefore support the charity more effectively. This will include introducing afternoon teas and developing our grounds to be able to implement a membership system for those who want to make the most of our fifteen acres.

The Kenward Trust
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Trustees' report (continued)
for the year ended 31 March 2021

We intend to contact more corporate groups to support the Trust through Kenward Place in our marketing plan, through initiatives such as adopting us as their charity, general fundraising, or corporate drug and alcohol training. This both helps raise additional funds to support the charity, and links the messaging from the Trust through to Kenward Place.

"I have just returned home after spending the day with my friend and our 3 children, after doing archery and disc golf with you and felt the need to write to tell you what an amazing day we all had! The booking process was simple and communication...was good. (Our instructor) kept the momentum going and made it fun, as well as teaching us about safety and helping us with our technique."

Our Highlights in 2020/21

Keeping our site COVID-19 free

This year has been incredibly difficult, and with our residents being at a higher risk of contracting the virus, we are incredibly proud that due to our staff and volunteers dedication we have kept our residents safe, through the development of an isolation area at the Barn.

Developing Uckfield

We made the decision to develop our Move On accommodation at Uckfield to increase our capacity from 6 bedrooms to 15 to keep up with the increase in demand. This has been very successful and we are very happy with the recovery community that has been created there.

Continuing with alpaca walks

Kenward Place is very important in helping to fundraise for Kenward Trust, so having to close it throughout the pandemic had a big impact on the Trust. We are proud however, that as soon as it was possible we managed to safely re-open our alpaca experiences and began generating income to support the charity throughout this difficult period. Kenward Place is an important element of our marketing strategy, helping to raise awareness of the Trust's work.

Gym

Due to severe weather last year, our gym flooded, which was a big blow to our residents as improving their physical fitness is very important in their recovery. We spent time this year fixing the building, and thanks to grants from Peter Harrison Charitable Trust and Blakemore Foundation we purchased new equipment for our residents to use also.

Our Strategic Aims for 2021/22

Growth

Our Resettlement project is hugely beneficial for our residents, giving them the chance to acclimatise to their new lives remaining in recovery. One of our properties leased in Gravesend came to an end this year, which we replaced with another property in Canterbury. We are very keen to expand on our property portfolio and into the East of Kent, enabling this project to be able to provide support to more individuals in need, during a difficult period of their recovery. We hope to expand our portfolio and engage with more agencies for referrals.

Sustainability

We have made significant progress in improving financial sustainability this year, so looking to build upon this progression next year will be key to ensuring the longer term viability of all of the services that the Trust provides.

Progression

We have received a grant from Kent Community Foundation to implement a case management system for our clinical team. Moving forward we believe it is vital that we move away from paper and onto online reporting which will make our team more efficient. Additionally, our focus will be on improving our services and value to our clients and documenting our progress.

Development

Increase our offering to our residents through the formation of an education block and building on our programmes will be very important to ensuring that our residents get the most out of our programmes, and ensure they have the best possible start in their recovery journey.

The Kenward Trust
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Trustees' report (continued)
for the year ended 31 March 2021

Financial review

Pre-pandemic the trust anticipated a break-even trading position for the 2021 financial year. The pandemic impacted our revenues, but we still managed to increase revenues over the prior year - and to further cut costs. The shortfall in anticipated revenue meant that the Trust had an operating loss, but 35% less than the prior year.

A revaluation of our 2 smaller Move-On houses reduced the operating loss by a further £216,250 - an overall loss reduction of 80% on the prior year. The remaining main sites at Yalding and Uckfield will be revalued as part of our Loan Facility requirements in the 2022 Accounts. We anticipate this revaluation will result in a further significant revaluation gain.

During the year we sold our property in Gravesend to allow us to invest in and expand our Move-On facilities in Uckfield, the remainder of the funds were used to improve our facilities on the main Yalding site and for cashflow purposes. The extra capacity has started to drive increases in revenues in the 2022 Financial year.

The Trust has a long-term Business Loan from Unity Trust Bank who continue their support and believe in our recovery business plan. Despite a strategy of careful cost control and developing new income streams, the Trust is still likely to make a further, reduced operating loss in the 2022 Financial Year. (But this will be offset by the revaluation gain mentioned above). We now anticipate a small profit in the 2023 Financial Year.

Total income for the year was £1,464,188 (2020: £1,349,447). This is an increase of £114,741 compared to 2020.

As in the prior year we have had a strong focus on cost control and this year we have managed to further reduce overheads. Whilst we are still likely to make a loss in the 2022 Financial year we anticipate that from 2023 onwards we should be able to generate a surplus going forwards. Expenditure for the year has reduced by 3% to £1,787,135 (2020: £1,834,316), and the Charity has net outgoing resources before revaluations for the year of £322,947 compared to net outgoing resources of £484,869 in 2020.

The result of this is that total funds have decreased to £3,706,940 (2020: £3,813,637) at the year-end, comprising £3,701,358 (2020: £3,775,989) unrestricted and £5,582 (2020: £37,648) restricted. The Balance Sheet shows net current assets of £111,686 (2020: £110,598) which represents an increase on the prior year of £1,088.

Kenward belongs to a scheme with The Pensions Trust. Entry to the defined benefit scheme was closed several years ago and now a defined contribution auto-enrolment scheme is in operation. The old scheme is underfunded which means that an actuarial deficit must be included in the accounts; the provision for this has decreased in the year to £89,827 (2020: £106,433). The overall withdrawal liability remains much higher, but this will only be triggered if The Kenward Trust were to withdraw from the scheme completely, which it does not plan to do.

Reserves Policy

The Board of Trustees has reviewed the Reserves Policy of the Kenward Trust with regard to the Charity's current operations and its future plans. Particular attention and reference has been given to guidance provided within FRS 102, Charity Commission publications RS3 and CC19 (Charity Reserves and Charities and Reserves, respectively) and Charity Commission Guidance OG43 (Charity Income Reserves). The Board of Trustees has agreed a reserves policy equivalent to three months of salaries and on costs. For the financial year 1st April 2020 to 31st March 2021, this was projected as £480,000. While our liquid cash reserves have been below this level for the financial year, the Board of Trustees will continue to be prepared to sell one or more of the Charity's freehold properties in order to generate the appropriate level of liquid funds.

The Kenward Trust
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Trustees' report (continued)
for the year ended 31 March 2021

Structure, Governance & Management Governing Document

The Kenward Trust is a charitable company limited by guarantee, incorporated on 1st February 2012 and registered with the Charity Commission on 21st March 2012. The Company took over delivery of services and ownership of property from The Kenward Trust Fund (charity number 265394) on 1st April 2012.

The Kenward Trust Fund was registered as a charity on 27th March 1973 and has been governed by its Trust Deed, dated 24th May 1972. On incorporation, the fundamental elements of the Trust Deed were removed from the Charity Register on 9th January 2015. Therefore, the Charity remains governed by the vision, purpose and intentions of the founding trustees; as now set out in the Articles.

Membership is open to individuals or organisations that apply to the Charity and are approved by the Trustees. There are currently eleven members (the Directors/Trustees of the Charity), each of whom agreed to contribute £10 in the event of the Charity winding up.

Appointment of Trustees

The Articles of Association (Articles) provide that the Board of Trustees may be constituted of a minimum of three Trustees, but no more than twelve. For the purposes of the Companies Act 2006, Trustees of the Charity are also directors of the Company. In accordance with the Articles, on appointment, Trustees become members of the Company.

Under the requirements of the Articles, any person appointed as a Trustee by the Board of Trustees must retire at the next annual general meeting, at which time the appointment must be either ratified or terminated. At each Annual General Meeting, Trustees who have been in office for 3 years must retire from office, but may stand for reelection.

Trustee Induction and Training

As a Care Quality Commission (CQC) registered organisation the Trustees take recruitment, induction and training of our Trustees very seriously. The Kenward Trust complies with Regulation 5 to ensure that all prospective and existing Trustees are assessed and continue to be deemed a fit and proper person to act as a Trustee of the Charity.

New Trustees undergo an orientation day to brief them on: their legal obligation under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the business plan and recent financial performance of the Charity. During the induction day, they meet key employees and other Trustees.

Trustees are encouraged to attend on-going, appropriate, external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees, which can have between three and twelve members, administers the Charity. The Board normally meets quarterly and there are sub-committees covering Finance, Business Development, Quality Management and People & Policies, which also meet on a quarterly basis. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Charity.

To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and programme delivery.

The Kenward Trust
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Trustees' report (continued)
for the year ended 31 March 2021

Related Parties and Cooperation with Other Organisations

None of our Trustees receive remuneration or other benefits from their work with the Charity. Any connection between a Trustee or senior manager of the Charity with a resident, must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. In the current year, no such party transactions were reported.

The Charity's wholly owned subsidiary, Kenward Enterprises Ltd, was established to operate the social enterprise activities. Kenward Enterprises Limited was incorporated on 20th February 2016.

Pay Policy for Senior Staff

The directors consider that the Board of Trustees and the Senior Management Team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating of the Charity on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

The pay of senior staff is reviewed from time to time. In the view of the nature of the Charity, the Trustees benchmark against pay levels in other charities of a similar size. Some senior talent is retained on a consultancy basis in order to attract the best people.

Fund Raising Policy

The charity undertakes fundraising activities, which include fundraising in the community, applying to and partnering with companies and grant-giving trusts, appeals and organising of events. Our fundraising activities are carried out in line with the Fundraising Code of Practice as set out by the Fundraising Regulator. No third party agencies are used to fundraise on behalf of the charity.

Risk Management

The charity continues to enhance and improve risk management systems. The Business Assurance Framework (BAF) was approved by the Board of Trustees on 3rd November 2015 and has been used as a governance tool ever since.

The BAF identifies principal risks to delivery of strategic objectives (as directed and agreed by the Board of Trustees for each financial year). The document sets out the strategic objectives alongside a progress summary (monitoring and performance) and the BAF (monitoring principal risks and supporting actions) for each objective.

The BAF is an important part of our governance process and provides a vehicle through which the Trustees, Chief Executive, Senior Management Team and Project Managers, as appropriate can:

1. Agree and analyse the Charity's strategic objectives;
2. Identify the principal risks to achieving them;
3. Agree necessary actions or establishment of systems and procedures to mitigate those risks identified; and
4. Implement procedures to minimise any potential impact on the Charity, in the event that the risks materialise.

The BAF is reviewed on a regular basis by the Senior Management Team and then reported to each of the Board sub-committees (each strategic objective being allocated to a sub-committee) on a quarterly basis, before being formally reported to the full Board of Trustees.

External risks to funding and high committed costs relating to assets have led to the development of a strategic plan which allows for, and will continue to allow for, the diversification of funding and activities.

Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of The Kenward Trust.

Those procedures are periodically reviewed in order to ensure that they continue to meet the needs of the Charity.

The Kenward Trust
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Trustees' report (continued)
for the year ended 31 March 2021

Trustees' responsibilities statement

The Trustees (who are also directors of Kenward Trust for the purposes of company law) are responsible for the preparing of the Group strategic report and the financial statements in accordance with applicable law and United Kingdom (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and the dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as disclosure to our auditors

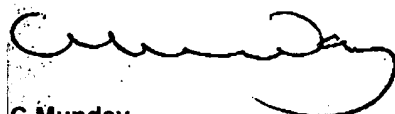
In so far as the Trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Charity's auditor is unaware; and
- The Trustees, having made enquiries of fellow directors and the Charity's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, Kreston Reeves LLP, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

This report has been prepared in accordance with the FRS 102 and relevant positions of the Companies Act 2006. This report incorporating the Group strategic report was approved by Trustees, in their capacity as company directors and signed on their behalf by:



C Munday
Chair

Date: 15 December 2021

The Kenward Trust
(A company limited by guarantee)

Independent auditor's report to the Members of The Kenward Trust

Opinion

We have audited the financial statements of The Kenward Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated 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 Financial Reporting Standard 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 Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 1.5 in the financial statements, which indicates that there are a number of financial restraints and issues that the Charity faces. As stated in note 1.5, these events or conditions, along with the other matters as set forth in note 1.5, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the Trustees' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Understanding the Group's processes and related controls over the assumptions in the going concern assessment;
- Considering the reasonableness of the projections and the appropriateness of the sensitivities performed by management;
- Evaluating the accuracy and completeness of the projections;
- Assessing the disclosures relating to going concern.

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

The Kenward Trust
(A company limited by guarantee)

Independent auditor's report to the Members of The Kenward Trust (continued)

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 contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

The Kenward Trust
(A company limited by guarantee)

Independent auditor's report to the Members of The Kenward Trust (continued)

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:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and sector, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non compliance with laws and regulations related to health and safety, anti bribery and employment law. We considered the extent to which non compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non compliance with laws and regulations and fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The Kenward Trust
(A company limited by guarantee)

Independent auditor's report to the Members of The Kenward Trust (continued)

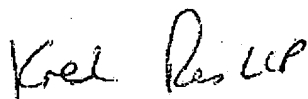
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 of the effectiveness of the charitable company's 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 charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my 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 my Auditor's report. However, future events or conditions may cause the charitable company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Robinson BA FCA MCMI FCIE DChA (Senior statutory auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: 16 December 2021

The Kenward Trust
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 March 2021

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies | 2 | 68,044 | 78,751 | 146,795 | 146,436 |
| Charitable activities | 3 | 1,203,667 | - | 1,203,667 | 1,000,312 |
| Other trading activities | 4 | 81,204 | 29,750 | 110,954 | 174,020 |
| Investments | 5 | 142 | - | 142 | 625 |
| Other income | | 2,630 | - | 2,630 | 28,054 |
| Total income | | 1,355,687 | 108,501 | 1,464,188 | 1,349,447 |
| Expenditure on: | | | | | |
| Raising funds | 6 | 109,882 | - | 109,882 | 263,259 |
| Charitable activities | 7 | 1,529,996 | 141,170 | 1,671,166 | 1,571,057 |
| Total expenditure | | 1,639,878 | 141,170 | 1,781,048 | 1,834,316 |
| Net expenditure | | (284,191) | (32,669) | (316,860) | (484,869) |
| Transfers between funds | 18 | (603) | 603 | - | - |
| Net movement in funds before other recognised gains/(losses) | | (284,794) | (32,066) | (316,860) | (484,869) |
| Other recognised gains/(losses): | | | | | |
| Gains/(losses) on revaluation of fixed assets | | 216,250 | - | 216,250 | (26,100) |
| Net movement in funds | | (68,544) | (32,066) | (100,610) | (510,969) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 3,775,989 | 37,648 | 3,813,637 | 4,324,606 |
| Net movement in funds | | (68,544) | (32,066) | (100,610) | (510,969) |
| Total funds carried forward | | 3,707,445 | 5,582 | 3,713,027 | 3,813,637 |

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 21 to 48 form part of these financial statements.


The Kenward Trust
(A company limited by guarantee)
Registered number: 07931728

Consolidated balance sheet
as at 31 March 2021

| | Note | 2021 £ | 2020 £ |
|---|-------------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 11 | 11,977 | - |
| Tangible assets | 12 | 4,726,855 | 4,891,886 |
| | | <u>4,738,832</u> | <u>4,891,886</u> |
| Current assets | | | |
| Stocks | 14 | 14,125 | 14,550 |
| Debtors | 15 | 166,414 | 209,613 |
| Cash at bank and in hand | | 293,284 | 185,642 |
| | | <u>473,823</u> | <u>409,805</u> |
| Creditors: amounts falling due within one year | 16 | (362,137) | (299,207) |
| Net current assets | | <u>111,686</u> | <u>110,598</u> |
| Total assets less current liabilities | | <u>4,850,518</u> | <u>5,002,484</u> |
| Creditors: amounts falling due after more than one year | 17 | (1,047,664) | (1,082,414) |
| Net assets excluding pension liability | | <u>3,802,854</u> | <u>3,920,070</u> |
| Defined benefit pension scheme liability | 24 | (89,827) | (106,433) |
| Total net assets | | <u><u>3,713,027</u></u> | <u><u>3,813,637</u></u> |
| Charity funds | | | |
| Restricted funds | 18 | 5,582 | 37,648 |
| Unrestricted funds | | | |
| Designated funds | 18 | 3,856,442 | 3,640,192 |
| General funds | 18 | (148,997) | 135,797 |
| | | <u>3,707,445</u> | <u>3,775,989</u> |
| Total funds | | <u><u>3,713,027</u></u> | <u><u>3,813,637</u></u> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 15 December 2021 and signed on their behalf by:


C Munday
 Chair

The notes on pages 21 to 48 form part of these financial statements.

The Kenward Trust
(A company limited by guarantee)
Registered number: 07931728

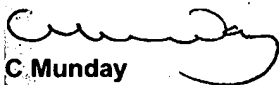
Charity balance sheet
as at 31 March 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 11 | 11,977 | - |
| Tangible assets | 12 | 4,698,963 | 4,859,776 |
| Investments | 13 | 5,000 | 5,000 |
| | | <u>4,715,940</u> | <u>4,864,776</u> |
| Current assets | | | |
| Stocks | 14 | 13,399 | 13,400 |
| Debtors | 15 | 333,202 | 368,907 |
| Cash at bank and in hand | | 254,401 | 174,651 |
| | | <u>601,002</u> | <u>556,958</u> |
| Creditors: amounts falling due within one year | 16 | (303,656) | (283,468) |
| Net current assets | | <u>297,346</u> | <u>273,490</u> |
| Total assets less current liabilities | | <u>5,013,286</u> | <u>5,138,266</u> |
| Creditors: amounts falling due after more than one year | 17 | (1,047,664) | (1,082,414) |
| Net assets excluding pension liability | | <u>3,965,622</u> | <u>4,055,852</u> |
| Defined benefit pension scheme liability | 24 | (89,827) | (106,433) |
| Total net assets | | <u><u>3,875,795</u></u> | <u><u>3,949,419</u></u> |
| Charity funds | | | |
| Restricted funds | 18 | 5,582 | 37,648 |
| Unrestricted funds | | | |
| Designated funds | 18 | 3,856,442 | 3,640,192 |
| General funds | 18 | 13,771 | 271,579 |
| | | <u>3,870,213</u> | <u>3,911,771</u> |
| Total funds | | <u><u>3,875,795</u></u> | <u><u>3,949,419</u></u> |

The Charity's net movement in funds for the year was £(73,624) (2020 - £(479,432)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 15 December 2021 and signed on their behalf by:


C. Munday
Chair

The notes on pages 21 to 48 form part of these financial statements.

The Kenward Trust
(A company limited by guarantee)

Consolidated statement of cash flows
for the year ended 31 March 2021

| | Note | 2021 £ | 2020 £ |
|--|-------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 21 | (148,044) | (486,286) |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 142 | 625 |
| Proceeds from the sale of tangible fixed assets | | 361,888 | - |
| Purchase of intangible assets | | (16,909) | - |
| Purchase of tangible fixed assets | | (105,650) | (44,761) |
| Net cash provided by/(used in) investing activities | | 239,471 | (44,136) |
| Cash flows from financing activities | | | |
| Cash inflows from new borrowing | | 50,000 | 394,764 |
| Repayments of borrowing | | (33,785) | - |
| Net cash provided by financing activities | | 16,215 | 394,764 |
| Change in cash and cash equivalents in the year | | 107,642 | (135,658) |
| Cash and cash equivalents at the beginning of the year | | 185,642 | 321,300 |
| Cash and cash equivalents at the end of the year | 22 | 293,284 | 185,642 |

The notes on pages 21 to 48 form part of these financial statements

The Kenward Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Kenward Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The Kenward Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

Despite the Charity continuing to experience funding difficulties, the financial statements have been prepared on a going concern basis, as the Trustees are of the opinion that the Charity can continue operating for a period of at least 12 months from the date these accounts were signed.

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the impact of the COVID-19 pandemic has been assessed by the Trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of funds, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

The Kenward Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

1. Accounting policies (continued)

1.7 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Consolidated statement of financial activities.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|-----------------------|---------|
| Land and buildings | - 1.25% |
| Plant and machinery | - 10% |
| Motor vehicles | - 20% |
| Fixtures and fittings | - 10% |
| Office equipment | - 20% |
| Computer equipment | - 20% |

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.11 Stocks

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

The Kenward Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

1. Accounting policies (continued)

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

1.15 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.17 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

| | |
|------|-----------|
| Film | - 2 years |
|------|-----------|

The Kenward Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

1. Accounting policies (continued)

1.18 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2. Income from donations and legacies

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Donations and grants | | | |
| Grants and trusts | 4,573 | 74,119 | 78,692 |
| Community fundraising | 13,134 | 1,672 | 14,806 |
| Other | 2,452 | 2,960 | 5,412 |
| Donations received | 12,664 | - | 12,664 |
| Government grants | 35,221 | - | 35,221 |
| | <u>68,044</u> | <u>78,751</u> | <u>146,795</u> |
| | | | |
| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
| Donations and grants | | | |
| Grants and trusts | 5,678 | 97,340 | 103,018 |
| Community fundraising | 22,520 | 100 | 22,620 |
| Other | 8,003 | 5,554 | 13,557 |
| Donations received | 7,041 | 200 | 7,241 |
| | <u>43,242</u> | <u>103,194</u> | <u>146,436</u> |

The Kenward Trust
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Notes to the financial statements
for the year ended 31 March 2021

3. Income from charitable activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---------------------------------|--|---------------------------------------|
| Residential rehabilitation fees | 654,268 | 654,268 |
| Housing benefit | 477,789 | 477,789 |
| Client cash contributions | 35,361 | 35,361 |
| Big Lottery Fund | - | - |
| RHI income | 36,249 | 36,249 |
| | 1,203,667 | 1,203,667 |

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|---------------------------------|--|--|---------------------------------------|
| Residential rehabilitation fees | 534,046 | - | 534,046 |
| Housing benefit | 344,492 | - | 344,492 |
| Client cash contributions | 37,847 | - | 37,847 |
| Big Lottery Fund | - | 56,598 | 56,598 |
| RHI income | 27,329 | - | 27,329 |
| | 943,714 | 56,598 | 1,000,312 |

4. Income from other trading activities

Income from fundraising events

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|--------------------|--|--|---------------------------------------|
| Telephone receipts | 222 | - | 222 |
| Rental income | 35,037 | - | 35,037 |
| Training income | 768 | 29,750 | 30,518 |
| Enterprise income | 25,710 | - | 25,710 |
| Other income | 19,467 | - | 19,467 |
| | 81,204 | 29,750 | 110,954 |

The Kenward Trust
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Notes to the financial statements
for the year ended 31 March 2021

4. Income from other trading activities (continued)

Income from fundraising events (continued)

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|--------------------|------------------------------------|----------------------------------|-----------------------------|
| Telephone receipts | 784 | - | 784 |
| Sales income | 5,082 | - | 5,082 |
| Rental income | 17,094 | - | 17,094 |
| Training income | 650 | 33,914 | 34,564 |
| Enterprise income | 88,628 | - | 88,628 |
| Other income | 26,689 | 1,179 | 27,868 |
| | <u>138,927</u> | <u>35,093</u> | <u>174,020</u> |

5. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---------------|------------------------------------|-----------------------------|
| Bank interest | 142 | 142 |

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|---------------|------------------------------------|-----------------------------|
| Bank interest | 625 | 625 |

The Kenward Trust
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Notes to the financial statements
for the year ended 31 March 2021

6. Expenditure on raising funds

Costs of raising voluntary income

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|--|--|---------------------------------------|
| Sundries | 13,100 | 13,100 |
| PR and marketing | 13,498 | 13,498 |
| Wages and salaries | 25,000 | 25,000 |
| National insurance and social security costs | 2,238 | 2,238 |
| Pension costs | 720 | 720 |
| | 54,556 | 54,556 |

Costs of raising voluntary income (continued)

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|--|--|--|---------------------------------------|
| Sundries | 23,349 | - | 23,349 |
| PR and marketing | 36,709 | 480 | 37,189 |
| Wages and salaries | 42,308 | - | 42,308 |
| National insurance and social security costs | 555 | - | 555 |
| Pension costs | 323 | - | 323 |
| | 103,244 | 480 | 103,724 |

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Notes to the financial statements
for the year ended 31 March 2021

6. Expenditure on raising funds (continued)

Social enterprise

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---|--|---------------------------------------|
| Purchases (inc opening and closing stock) | 133 | 133 |
| PR, Marketing and Advertising | (202) | (202) |
| Social Enterprise direct costs | 15,586 | 15,586 |
| Wages and salaries | 30,711 | 30,711 |
| Depreciation | 9,059 | 9,059 |
| Legal and professional fees | 39 | 39 |
| | <u>55,326</u> | <u>55,326</u> |

Social enterprise (continued)

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|---|--|---------------------------------------|
| Purchases (inc opening and closing stock) | 27,592 | 27,592 |
| PR, Marketing and Advertising | 2,431 | 2,431 |
| Social Enterprise direct costs | 21,278 | 21,278 |
| Wages and salaries | 91,548 | 91,548 |
| Depreciation | 8,273 | 8,273 |
| Legal and professional fees | 8,413 | 8,413 |
| | <u>159,535</u> | <u>159,535</u> |

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Notes to the financial statements
for the year ended 31 March 2021

7. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|-----------------------|--|--|---------------------------------------|
| Charitable activities | <u>1,529,996</u> | <u>141,170</u> | <u>1,671,166</u> |
| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
| Charitable activities | <u>1,406,455</u> | <u>164,602</u> | <u>1,571,057</u> |

8. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ |
|-----------------------|--|---|---------------------------------------|
| Charitable activities | <u>1,337,681</u> | <u>333,485</u> | <u>1,671,166</u> |
| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
| Charitable activities | <u>990,175</u> | <u>580,882</u> | <u>1,571,057</u> |

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Notes to the financial statements
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Charitable activities 2021 £ | Total funds 2021 £ |
|--------------------------------|---|---------------------------------------|
| Staff costs | 953,274 | 953,274 |
| Council tax | 16,293 | 16,293 |
| Light and heat | 74,641 | 74,641 |
| Telephone | 11,496 | 11,496 |
| Resident expenses | 4,591 | 4,591 |
| Residents catering | 44,311 | 44,311 |
| Therapy costs | 2,918 | 2,918 |
| Household costs | 9,648 | 9,648 |
| Motor expenses | 17,450 | 17,450 |
| Consultancy | 120,504 | 120,504 |
| Staff expenses | 9,029 | 9,029 |
| Volunteer expenses | 824 | 824 |
| Staff training and development | 3,006 | 3,006 |
| Agency staff | 26,141 | 26,141 |
| Rent and rates | 11,831 | 11,831 |
| Therapists and supervision | 588 | 588 |
| TV Licenses | 1,143 | 1,143 |
| Waste and sanitation | 20,295 | 20,295 |
| Testing costs | 703 | 703 |
| Small equipment | 2,387 | 2,387 |
| Animal expenses | 6,608 | 6,608 |
| | <u>1,337,681</u> | <u>1,337,681</u> |

The Kenward Trust
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Notes to the financial statements
for the year ended 31 March 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

| | Charitable activities 2020 £ | Total funds 2020 £ |
|--------------------------------|---------------------------------------|-----------------------------|
| Staff costs | 716,201 | 716,201 |
| Council tax | 16,975 | 16,975 |
| Light and heat | 68,923 | 68,923 |
| Telephone | 13,675 | 13,675 |
| Resident expenses | 558 | 558 |
| Residents catering | 29,891 | 29,891 |
| Therapy costs | 762 | 762 |
| Household costs | 11,890 | 11,890 |
| Motor expenses | 15,987 | 15,987 |
| Consultancy | 55,153 | 55,153 |
| Staff expenses | 12,841 | 12,841 |
| Volunteer expenses | 2,572 | 2,572 |
| Staff training and development | 4,598 | 4,598 |
| Agency staff | 9,166 | 9,166 |
| Rent and rates | 7,416 | 7,416 |
| Therapists and supervision | 3,948 | 3,948 |
| TV Licenses | 937 | 937 |
| Waste and sanitation | 9,687 | 9,687 |
| Testing costs | 1,121 | 1,121 |
| Small equipment | 4,730 | 4,730 |
| Animal expenses | 3,144 | 3,144 |
| | <u>990,175</u> | <u>990,175</u> |

The Kenward Trust
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Notes to the financial statements
for the year ended 31 March 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Charitable activities 2021 £ | Total funds 2021 £ |
|------------------------------------|---|---------------------------------------|
| Staff costs | 5,356 | 5,356 |
| Depreciation | 92,804 | 92,804 |
| Printing, postage and stationery | 8,911 | 8,911 |
| Repairs and maintenance | 60,595 | 60,595 |
| Bank charges | 1,314 | 1,314 |
| Audit fees | 9,999 | 9,999 |
| IT and website costs | 22,371 | 22,371 |
| Recruitment costs | 5,933 | 5,933 |
| Health and safety | 8,531 | 8,531 |
| Insurance | 31,866 | 31,866 |
| Loan interest and arrangement fees | 33,209 | 33,209 |
| Legal and professional fees | 4,465 | 4,465 |
| Leasing of equipment | 9,831 | 9,831 |
| (Profit)/loss on disposal | 28,112 | 28,112 |
| Governance costs | 10,188 | 10,188 |
| | <u>333,485</u> | <u>333,485</u> |

The Kenward Trust
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Notes to the financial statements
for the year ended 31 March 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | Charitable activities 2020 £ | Total funds 2020 £ |
|---|---------------------------------------|-----------------------------|
| Staff costs | 266,163 | 266,163 |
| Depreciation | 82,391 | 82,391 |
| Outsourced services | 27,663 | 27,663 |
| Printing, postage and stationery | 7,675 | 7,675 |
| Repairs and maintenance | 53,991 | 53,991 |
| Repairs and maintenance equipment purchased | 318 | 318 |
| Bank charges | 4,390 | 4,390 |
| Audit fees | 1,574 | 1,574 |
| IT and website costs | 25,188 | 25,188 |
| Recruitment costs | 1,742 | 1,742 |
| Health and safety | 9,709 | 9,709 |
| Insurance | 30,087 | 30,087 |
| Loan interest and arrangement fees | 35,237 | 35,237 |
| Legal and professional fees | 15,373 | 15,373 |
| Leasing of equipment | 9,627 | 9,627 |
| (Profit)/loss on disposal | (988) | (988) |
| Governance costs | 10,742 | 10,742 |
| | 580,882 | 580,882 |

9. Staff costs

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Wages and salaries | 909,299 | 972,945 | 909,299 | 972,945 |
| Social security costs | 71,213 | 69,229 | 71,213 | 69,229 |
| Contribution to defined contribution pension schemes | 6,076 | (16,624) | 6,076 | (16,624) |
| | 986,588 | 1,025,550 | 986,588 | 1,025,550 |

The Kenward Trust
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Notes to the financial statements
for the year ended 31 March 2021

9. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

| | Group 2021 No. | Group 2020 No. | Charity 2021 No. | Charity 2020 No. |
|---------------------------------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Average number expressed as headcount | 54 | 65 | 54 | 65 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group 2021 No. | Group 2020 No. |
|-------------------------------|-------------------------------|-------------------------------|
| In the band £60,001 - £70,000 | 1 | - |

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

11. Intangible assets

Group

| | Intangible assets £ |
|-----------------------|------------------------------------|
| Cost | |
| Additions | 16,909 |
| At 31 March 2021 | 16,909 |
| Amortisation | |
| Charge for the year | 4,932 |
| At 31 March 2021 | 4,932 |
| Net book value | |
| At 31 March 2021 | 11,977 |
| At 31 March 2020 | - |

The Kenward Trust
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**Notes to the financial statements
for the year ended 31 March 2021**

12. Tangible fixed assets

Group

| | Land buildings £ | Long-term leasehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|--------------------------|------------------------|---|-----------------------------|------------------------|-------------------------------|----------------------------|------------|
| Cost or valuation | | | | | | | |
| At 1 April 2020 | 4,785,001 | 8,300 | 332,321 | 21,625 | 106,871 | 13,961 | 5,268,079 |
| Additions | 4,132 | 2,060 | 12,001 | - | 86,298 | 1,159 | 105,650 |
| Disposals | (400,000) | - | - | - | - | - | (400,000) |
| Revaluations | 200,000 | - | - | - | - | - | 200,000 |
| At 31 March 2021 | 4,589,133 | 10,360 | 344,322 | 21,625 | 193,169 | 15,120 | 5,173,729 |
| Depreciation | | | | | | | |
| At 1 April 2020 | 91,254 | - | 185,438 | 21,625 | 63,915 | 13,961 | 376,193 |
| Charge for the year | 43,178 | - | 35,339 | - | 18,382 | 32 | 96,931 |
| On disposals | (10,000) | - | - | - | - | - | (10,000) |
| On revalued assets | (16,250) | - | - | - | - | - | (16,250) |
| At 31 March 2021 | 108,182 | - | 220,777 | 21,625 | 82,297 | 13,993 | 446,874 |

The Kenward Trust
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**Notes to the financial statements
for the year ended 31 March 2021**

12. Tangible fixed assets (continued)

Group (continued)

| | Land buildings £ | Long-term leasehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|------------------------|---|-----------------------------|------------------------|-------------------------------|----------------------------|------------|
| Net book value | | | | | | | |
| At 31 March 2021 | 4,480,951 | 10,360 | 123,545 | - | 110,872 | 1,127 | 4,726,855 |
| At 31 March 2020 | 4,693,747 | 8,300 | 146,883 | - | 42,956 | - | 4,891,886 |

Charity

| | Land and buildings £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|--------------------------|----------------------------|-----------------------------|------------------------|-------------------------------|----------------------------|------------|
| Cost or valuation | | | | | | |
| At 1 April 2020 | 4,785,001 | 332,321 | 21,625 | 50,396 | 13,961 | 5,203,304 |
| Additions | 4,132 | 12,001 | - | 83,517 | 1,159 | 100,809 |
| Disposals | (400,000) | - | - | - | - | (400,000) |
| Revaluations | 200,000 | - | - | - | - | 200,000 |
| At 31 March 2021 | 4,589,133 | 344,322 | 21,625 | 133,913 | 15,120 | 5,104,113 |

The Kenward Trust
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**Notes to the financial statements
for the year ended 31 March 2021**

12. Tangible fixed assets (continued)

Charity (continued)

| | Land and buildings £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|----------------------------|-----------------------------|------------------------|-------------------------------|----------------------------|------------|
| Depreciation | | | | | | |
| At 1 April 2020 | 91,254 | 185,438 | 21,625 | 31,250 | 13,961 | 343,528 |
| Charge for the year | 43,178 | 35,339 | - | 9,323 | 32 | 87,872 |
| On disposals | (10,000) | - | - | - | - | (10,000) |
| On revalued assets | (16,250) | - | - | - | - | (16,250) |
| At 31 March 2021 | 108,182 | 220,777 | 21,625 | 40,573 | 13,993 | 405,150 |
| Net book value | | | | | | |
| At 31 March 2021 | 4,480,951 | 123,545 | - | 93,340 | 1,127 | 4,698,963 |
| At 31 March 2020 | 4,693,747 | 146,883 | - | 19,146 | - | 4,859,776 |

Included in land and buildings is land of £1,134,917 (2020: £1,134,917) which is not depreciated.

The net book value of assets held under finance leases or hire purchase contracts included above are £82,719 (2020: £110,008).

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Notes to the financial statements
for the year ended 31 March 2021

13. Fixed asset investments

| | Investments in subsidiary companies £ |
|--------------------------|---|
| Charity | |
| Cost or valuation | |
| At 1 April 2020 | 5,000 |
| | <hr/> |
| At 31 March 2021 | 5,000 |
| | <hr/> <hr/> |
| Net book value | |
| At 31 March 2021 | 5,000 |
| | <hr/> |
| At 31 March 2020 | 5,000 |
| | <hr/> <hr/> |

14. Stocks

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Finished goods and goods for resale | 14,125 | 14,550 | 13,399 | 13,400 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

15. Debtors

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Due within one year | | | | |
| Trade debtors | 57,215 | 78,560 | 52,147 | 72,175 |
| Amounts owed by group undertakings | - | - | 172,511 | 174,313 |
| Other debtors | 13,137 | 16,514 | 13,128 | 13,139 |
| Prepayments and accrued income | 96,062 | 114,539 | 95,416 | 109,280 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | 166,414 | 209,613 | 333,202 | 368,907 |

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Notes to the financial statements
for the year ended 31 March 2021

16. Creditors: Amounts falling due within one year

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | 50,000 | - | - | - |
| Other loans | 34,137 | 33,172 | 34,137 | 33,172 |
| Trade creditors | 109,832 | 115,266 | 102,749 | 106,794 |
| Other taxation and social security | 19,317 | 42,595 | 19,317 | 39,131 |
| Pension fund loan payable | 11,927 | 12,233 | 11,927 | 12,233 |
| Other creditors | 5,981 | 8,710 | 5,670 | 6,471 |
| Accruals and deferred income | 130,943 | 87,231 | 129,856 | 85,667 |
| | 362,137 | 299,207 | 303,656 | 283,468 |
| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
| Deferred income at 1 April 2020 | 20,474 | 11,090 | 20,474 | 11,090 |
| Resources deferred during the year | 58,359 | 20,474 | 58,359 | 20,474 |
| Amounts released from previous periods | (20,474) | (11,090) | (20,474) | (11,090) |
| | 58,359 | 20,474 | 58,359 | 20,474 |

17. Creditors: Amounts falling due after more than one year

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|-------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Other loans | 1,047,664 | 1,082,414 | 1,047,664 | 1,082,414 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Payable or repayable by instalments | 825,444 | 898,477 | 825,444 | 898,477 |

The amounts disclosed above relate to a single loan. The loan is repayable up to December 2042 and incurs interest at a rate of 2.75% above base rate. The loan is secured against the Charity's property.

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Notes to the financial statements
for the year ended 31 March 2021

18. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|---------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Land and buildings | 3,640,192 | - | - | - | 216,250 | 3,856,442 |
| General funds | | | | | | |
| Fixed asset fund | 110,008 | - | (27,289) | - | - | 82,719 |
| Free reserves | 132,222 | 1,355,687 | (1,629,195) | (603) | - | (141,889) |
| Pension fund reserve | (106,433) | - | 16,606 | - | - | (89,827) |
| | 135,797 | 1,355,687 | (1,639,878) | (603) | - | (148,997) |
| Total Unrestricted funds | 3,775,989 | 1,355,687 | (1,639,878) | (603) | 216,250 | 3,707,445 |

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Notes to the financial statements
for the year ended 31 March 2021

18. Statement of funds (continued)

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|---------------------------|---------------------------------|-------------------------|---------------------------|--------------------------|-------------------------|-------------------------------------|
| Restricted funds | | | | | | |
| RESET | 9,069 | 10,169 | (19,238) | - | - | - |
| Youth/Community Services | - | 27,500 | (28,103) | 603 | - | - |
| KIP - Think Differently | - | 19,388 | (19,388) | - | - | - |
| Kent Community Foundation | 9,179 | - | (9,179) | - | - | - |
| Archery Project | 6,400 | 487 | (6,586) | - | - | 301 |
| Think Differently Film | 13,000 | - | (7,719) | - | - | 5,281 |
| Therapeutic Community | - | 35,815 | (35,815) | - | - | - |
| KCC | - | 8,151 | (8,151) | - | - | - |
| Move On | - | 6,991 | (6,991) | - | - | - |
| | <u>37,648</u> | <u>108,501</u> | <u>(141,170)</u> | <u>603</u> | <u>-</u> | <u>5,582</u> |
| Total of funds | <u><u>3,813,637</u></u> | <u><u>1,464,188</u></u> | <u><u>(1,781,048)</u></u> | <u><u>-</u></u> | <u><u>216,250</u></u> | <u><u>3,713,027</u></u> |

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Notes to the financial statements
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18. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2020 £ |
|---------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Land and buildings | 4,075,618 | - | - | (409,326) | (26,100) | 3,640,192 |
| General funds | | | | | | |
| Fixed asset fund | 106,004 | - | - | 4,004 | - | 110,008 |
| Free reserves | 239,203 | 1,154,562 | (1,691,801) | 430,258 | - | 132,222 |
| Pension fund reserve | (129,000) | - | 22,567 | - | - | (106,433) |
| | <u>216,207</u> | <u>1,154,562</u> | <u>(1,669,234)</u> | <u>434,262</u> | <u>-</u> | <u>135,797</u> |
| Total Unrestricted funds | <u>4,291,825</u> | <u>1,154,562</u> | <u>(1,669,234)</u> | <u>24,936</u> | <u>(26,100)</u> | <u>3,775,989</u> |

The Kenward Trust
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Notes to the financial statements
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18. Statement of funds (continued)

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2020 £ |
|---------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| Restricted funds | | | | | | |
| RESET | 17,590 | 56,598 | (65,119) | - | - | 9,069 |
| Youth/Community Services | 6,612 | 28,520 | (35,132) | - | - | - |
| KIP - Think Differently | 5,960 | 15,251 | (21,211) | - | - | - |
| Kenward House | 2,619 | - | (2,619) | - | - | - |
| Kent Community Foundation | - | 50,000 | (40,821) | - | - | 9,179 |
| Outdoor Gym | - | 10,000 | - | (10,000) | - | - |
| Archery Project | - | 9,516 | (180) | (2,936) | - | 6,400 |
| Think Differently Film | - | 25,000 | - | (12,000) | - | 13,000 |
| | <u>32,781</u> | <u>194,885</u> | <u>(165,082)</u> | <u>(24,936)</u> | <u>-</u> | <u>37,648</u> |
| Total of funds | <u>4,324,606</u> | <u>1,349,447</u> | <u>(1,834,316)</u> | <u>-</u> | <u>(26,100)</u> | <u>3,813,637</u> |

RESET - Amounts secured from The Big Lottery on a phased 5 year programme, to be paid quarterly, to provide a volunteer-led mentor service to assist offenders and ex offenders resettle in the community.

Youth/Community Services - Amounts received from local councils to provide information to young people about alcohol and substance misuse. Young people are invited to site to connect with adults who have previously been residents. The funds are also used to provide out of hours support to 'hot-spots' as directed by the local councils, using the services of Kenward staff, a dedicated consultant and staff members.

Think Differently - Think Differently is our secondary school drug and alcohol education programme. We update young people and answer any questions on the potential lifechanging consequences of drug, substance and alcohol misuse, dependency and antisocial behaviour.

Kenward House - A residential alcohol and drugs recovery project offering a supported, structured programme for men in recovery from alcohol and/or drug misuse.

Kent Community Foundation - Funds provided to use a fundraiser and aid the business turn around plan.

Outdoor Gym - Funds raised to purchase gym equipment for use by our beneficiaries.

Archery project - Grant provided as part of project to use archery in supporting the charitable objectives.

Think Differently film - Linked to our think differently project above except these funds are specifically for the creation of a film to help us educate young people.

Land and Buildings - This represents our fixed asset balance less any subsequent depreciation, gains or losses and loans.

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19. Summary of funds

Summary of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2021 £ |
|------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| Designated funds | 3,640,192 | - | - | - | 216,250 | 3,856,442 |
| General funds | 135,797 | 1,355,687 | (1,639,878) | (603) | - | (148,997) |
| Restricted funds | 37,648 | 108,501 | (141,170) | 603 | - | 5,582 |
| | <u>3,813,637</u> | <u>1,464,188</u> | <u>(1,781,048)</u> | <u>-</u> | <u>216,250</u> | <u>3,713,027</u> |

Summary of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 March 2020 £ |
|------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------|-------------------------------------|
| Designated funds | 4,075,618 | - | - | (409,326) | (26,100) | 3,640,192 |
| General funds | 216,207 | 1,154,562 | (1,669,234) | 434,262 | - | 135,797 |
| Restricted funds | 32,781 | 194,885 | (165,082) | (24,936) | - | 37,648 |
| | <u>4,324,606</u> | <u>1,349,447</u> | <u>(1,834,316)</u> | <u>-</u> | <u>(26,100)</u> | <u>3,813,637</u> |

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 4,726,855 | - | 4,726,855 |
| Intangible fixed assets | 11,977 | - | 11,977 |
| Current assets | 468,241 | 5,582 | 473,823 |
| Creditors due within one year | (362,137) | - | (362,137) |
| Creditors due in more than one year | (1,047,664) | - | (1,047,664) |
| Provisions for liabilities and charges | (89,827) | - | (89,827) |
| Total | <u>3,707,445</u> | <u>5,582</u> | <u>3,713,027</u> |

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 4,891,886 | - | 4,891,886 |
| Current assets | 372,157 | 37,648 | 409,805 |
| Creditors due within one year | (299,207) | - | (299,207) |
| Creditors due in more than one year | (1,082,414) | - | (1,082,414) |
| Provisions for liabilities and charges | (106,433) | - | (106,433) |
| Total | 3,775,989 | 37,648 | 3,813,637 |

21. Reconciliation of net movement in funds to net cash flow from operating activities

| | Group 2021 £ | Group 2020 £ |
|---|--------------------|--------------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (316,860) | (484,869) |
| Adjustments for: | | |
| Depreciation charges | 96,931 | 90,654 |
| Amortisation charges | 4,932 | - |
| Dividends, interests and rents from investments | (142) | (625) |
| Loss on the sale of fixed assets | 28,112 | - |
| Decrease in stocks | 425 | 245 |
| Decrease/(increase) in debtors | 43,199 | (96,572) |
| Increase in creditors | 11,965 | 48,823 |
| Pension movement | (16,606) | (43,942) |
| Net cash used in operating activities | (148,044) | (486,286) |

22. Analysis of cash and cash equivalents

| | Group 2021 £ | Group 2020 £ |
|--------------|--------------------|--------------------|
| Cash in hand | 293,284 | 185,642 |

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23. Analysis of changes in net debt

| | At 1 April 2020 | Cash flows | At 31 March 2021 |
|--------------------------|--------------------|---------------|---------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 185,642 | 107,642 | 293,284 |
| Debt due within 1 year | (45,405) | (50,659) | (96,064) |
| Debt due after 1 year | (1,082,414) | 34,750 | (1,047,664) |
| | <u>(942,177)</u> | <u>91,733</u> | <u>(850,444)</u> |

24. Pension commitments

The Charity is part of the Pensions Trust Growth Plan, however entry to this scheme was closed a number of years ago. This is a multi employer defined benefit pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. It is not possible to separately identify the assets and liabilities of participating employers on a consistent and reasonable basis.

The fund is in deficit and if the charity was to withdraw from the scheme the cost of withdrawal would have been £386,284 on 30 September 2016. The charity does not plan to withdraw from the scheme.

A revised recovery plan took effect in April 2016 with new contributions. The results of this yearly update do not affect the deficit contributions due.

Deficit contributions are due from April 2016 to 31 March 2025, with the amount increasing in April each year by 3%.

The deficit contributions due from April 2020 will be £22,731 per year.

The group operates a Defined benefit pension scheme. However, the scheme is a multiple employer scheme and the group is unable to identify its share of the underlying assets and liabilities.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme, as shown above.

25. Operating lease commitments

At 31 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Not later than 1 year | 11,393 | 14,580 | 11,393 | 14,580 |
| Later than 1 year and not later than 5 years | - | 11,393 | - | 11,393 |
| | <u>11,393</u> | <u>25,973</u> | <u>11,393</u> | <u>25,973</u> |

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26. Related party transactions

During the year there were no transactions (2020: £Nil).

27. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

| Name | Company number | Registered office or principal place of business | Principal activity |
|-----------------------------|-----------------------|---|---|
| Kenward Enterprises Limited | 10017029 | Kenward House, Kenward Road, Yalding, Maidstone, Kent, ME18 6AH | To provide a commercial benefit to the parent charity and its beneficiaries |

| Class of shares | Holding | Included in consolidation |
|------------------------|----------------|----------------------------------|
| Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit/(Loss) for the year £ | Net assets £ |
|-----------------------------|---------------------|--------------------------|---|-------------------------|
| Kenward Enterprises Limited | 28,340 | (55,326) | (26,986) | (157,763) |