

Charity Registration No. 1075437

Company Registration No. 03348314 (England and Wales)

**CLACTON FAMILY TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**

tc accounts • tax • legal • financial planning

92 Station Road
Clacton on Sea
Essex
CO15 1SG

CLACTON FAMILY TRUST LIMITED

GROUP FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

Contents	Page
Trustees Annual Report	2
Independent auditor's report to the members	7
Statement of financial activities	11
Statement of financial position	12
Statement of cash flows	13
Notes to the financial statements	14
The following pages do not form part of the financial statements	
Detailed consolidated statement of financial activities	25

CLACTON FAMILY TRUST LIMITED

TRUSTEES ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)

YEAR ENDED 31 MARCH 2020

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2020, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

OBJECTIVES AND ACTIVITIES

The charity's objectives are to provide homes with excellent care and resources to meet the needs of its service users and to provide a safe and caring, yet challenging environment and encourage all service users to reach their full potential.

When reviewing the aims and objectives of the charity, the trustees have had due regard to the Charity Commission's guidance on public benefit. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The charity provides residential care and supported living, across five specialist residential care homes. The care provided across the homes is "Person Centred" and tailored to each individual resident reflecting their choices, dreams and aspirations. From the initial assessment, the individual is supported and encouraged to be part of the planning process and takes an active role in any decision's to be made. Family, friends and professionals are also encouraged to be actively involved in the process of setting goals and reviewing progress. The homes pride themselves on their excellent varied communication techniques.

The homes have been designed without compromise, reflecting the belief and experience that individuals respond to quality and spacious surroundings. Harmonious environments have been created by using exceptional materials with great attention to detail. Each property is created and developed to have a warm and homely atmosphere. Each home consists of a spacious communal living space facilitating interaction, with additional rooms encouraging individual pursuits and providing privacy. The bedrooms are bright and airy and residents are encouraged to personalise their rooms to their own taste. The trained staff support the residents while encouraging them to develop skills and make choices in their daily lives. The charity aims to embrace each residents individuality and promote person centred care whilst still ensuring that each house maintains a homely atmosphere that each resident can relax and feel safe and secure in.

The charity owns Willow Park Life Skills Centre, which provides a learning and leisure environment for people with learning difficulties, physical disability and sensory impairment. This offers a wide range of workshops including Art & Craft, Performing Arts, Healthy Living and many more. The Hydro Pool and Swim Spa are fully accessible whilst sensory rooms are available to offer a calming and therapeutic environment.

There is a strong emphasis on identifying the needs of an individual and creating well thought out plans that will deliver the right outcomes. This process starts at the time of an individual's initial assessment and is continually monitored and reviewed. The individual is always at the centre of the planning process. Once the individual is happy with the service, a Care Plan is developed in partnership with them, their carer and the referring and purchasing bodies. The Care Support Plan clearly identifies all of the individual's needs, how these will be met and covers aspects such as health, independent living skills, personal safety, communication, equal opportunities and personal care. Daily Support Plans are developed from the Care Plan and form the basis for the achieving quality outcomes. These plans are produced for every need identified within the individual's care plan and provide staff with specific guidance on how to provide effective support. Care plan's Daily Support Plans and Daily diaries are produced in easy read formats enabling the individual to take an active role in agreeing the components of these. Working in a person-centred way enables individuals to reflect on the support they receive and be involved in decisions.

CLACTON FAMILY TRUST LIMITED

TRUSTEES ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) (continued)

YEAR ENDED 31 MARCH 2020

The charity aims to recruit with the right attitude and an enthusiasm for making a difference. Substantial investment in training the staff team underpins the delivery of a high quality service. Emphasis is placed on staff supporting each individual to make choices and to live as independently as possible. A big part of the staff's role is to encourage and support people to take the necessary steps towards fulfilling their dreams and aspirations. All of the staff undergo an extensive induction program that reflects the needs of each individual resident. All staff at the homes work closely with a wide range of professionals enabling them to always provide an excellent service.

ACHIEVEMENTS AND PERFORMANCE

The charity monitors performance with reference to occupancy levels. The homes have the capacity to support thirty seven service users and there were three vacancies at the year end.

In addition, the charity monitors performance by comparing income from care fees with employment costs. The staff/income ratio increased from 63% to 64%.

The activities of Willow Park Resources Ltd have continued to provide educational and remedial activities for the majority of the service users of the charity (and many third parties) during the year.

During the year, the Willow Park Resource centre was renamed to the Willow Park Lifeskills Centre, with a view to becoming more educational in the future.

The charity also ensures that the Standards of Care, as monitored by the Care Quality Commission, are met at all times. Following a CQC rating downgrade in 2019, the charity has worked hard to address these issues and move towards a higher rating.

FINANCIAL REVIEW

The charity showed a surplus of £31,139 for the year.

Incoming resources decreased by £21,503 compared to last year. Expenditure decreased by £522,980, largely due to a reduction in property repairs of £217,514 and the loss on disposal of £206,454 which occurred in the previous year. The balance sheet shows total funds of £2,040,790, of which £2,039,560 is unrestricted.

The principal sources of funding were from Borough and County councils in Essex and the South East who provide funding for specific service users from their Borough/County.

The Trustees have considered the effect of Covid-19 and consider the outbreak is likely to cause some disruption to the Charity's business. However, the Trustees are confident that the Charity can continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its finance statements.

Investment policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

Reserves policy

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are required to bridge the funding gaps between spending on improvements and running of the homes and receiving the resources from councils for the care of service users. The trustees consider that the ideal level of reserves is £400,000, which covers the average value of resources expended for one month.

CLACTON FAMILY TRUST LIMITED

TRUSTEES ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) (continued)

YEAR ENDED 31 MARCH 2020

Reserves policy (continued)

The actual unrestricted reserves at 31 March 2020 were £2,039,560 (2019: £2,083,172). The majority of reserves are tied up in the property assets owned by the charity. The liquid reserves at 31 March 2020 amounted to £491,055 excluding finance repayments due within 12 months.

The trustees have assessed the major risks to which the charity was exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Clacton Family Trust Limited is a company limited by guarantee governed by its Memorandum and Articles dated 3 March 1999. It is registered as a charity with the Charity Commission. There are currently five members, each of whom agree to contribute £10 in the event of the charity winding up.

Recruitment, induction and training of trustees

All members are circulated with invitations to nominate trustees prior to the AGM advising them of retiring trustees and requesting nominations for the AGM. When considering co-opting trustees, the Board has regard to the requirement for any specialist skills needed.

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Risk management

The trustees have reviewed the risks the charity may face and have established systems and procedures to mitigate those risks. Procedures are in place to ensure the health and safety of all staff, service users and visitors to the care homes.

The principal risk that the charity is exposed to is Covid-19 and infections within the homes. The trustees have followed government guidelines with the aim of mitigating the risk of infection and risk of spreading.

The charity has assessed the risk that service users may be exposed to injury or abuse whilst under the care of the charity. The charity provides all mandatory training on an annual basis to all staff on the handling of vulnerable people and all staff are subject to advanced CRB screening before employment commences. The trustees continue to monitor the charity's exposure to risk on an ongoing basis.

Organisational structure

The board of trustees administers the charity. The board meets monthly and two of the trustees are responsible for meeting with the manager of the charity on a weekly basis. The charity is managed on a day to day basis by S Thompson who is responsible for the management of the care services provided to service users.

Remuneration of key management

The directors consider the board of directors, who are the charities trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. Details of key management personnel remuneration are disclosed in note 11 of the accounts.

Related parties

Any connection between a trustee or senior manager of the charity and a related party must be disclosed to the full board of trustees.

CLACTON FAMILY TRUST LIMITED

TRUSTEES ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) (continued)

YEAR ENDED 31 MARCH 2020

PLANS FOR FUTURE PERIODS

The charity will continue to offer a wide range of enjoyable activities throughout the Willow Park Lifeskills centre. Sensory rooms continue to benefit from up to date technology providing the ultimate sensory experience, whilst the construction of a new swimming pool will provide service users with a unique opportunity with the prospect of improving strength and balance in therapeutic surroundings.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Clacton Family Trust Limited
Charity registration number	1075437
Company registration number	03348314
Principal office	Willow Park The Street, Weeley, Clacton on Sea, Essex, CO16 9JE
Registered office	92 Station Road Clacton on Sea Essex CO15 1SG

THE TRUSTEES

The trustees who served the charity during the period were as follows:

	D Harris C D Hawkins C P Johnson P Carratt J Martin
Secretary	C D Hawkins
Chief Executive Officer	D Thompson (resigned 30 September 2019)
Homes Manager	S Thompson
Auditor	TC Group 92 Station Road Clacton on Sea Essex CO15 1SG
Bankers	Barclays Bank Plc 44 Station Road Clacton on Sea Essex, CO15 1RZ

CLACTON FAMILY TRUST LIMITED

TRUSTEES ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT) (continued)

YEAR ENDED 31 MARCH 2020

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

AUDITOR

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

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

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

The trustees' annual report and the strategic report were approved on 21 December 2020 and signed on behalf of the board of trustees by:

C D Hawkins
Charity Secretary

CLACTON FAMILY TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLACTON FAMILY TRUST LIMITED

YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Clacton Family Trust Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2019 and of the group's income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to the going concern section in the notes to the financial statements. The group's ability to generate funds to meet short term operating cash requirements is reliant on the ability to run workshops at the Willow Park Life Skills Centre. The Covid-19 pandemic continues to create uncertainty on the ability to keep the Life Skills Centre operational. Further uncertainty relating to the availability of funding arises due to the breach of the covenants imposed by the charity's bank.

Notwithstanding the disclosure in the going concern note in the notes to the accounts and the trustee's belief that it is appropriate to produce these accounts on a going concern basis, we consider there to be factors that indicate that a material uncertainty exists that may cast doubt on the ability of the group or the parent charity to continue as a going concern. Our opinion is not modified in this respect.

Key audit matters

Except for the matter described in the material uncertainty related to going concern section, we have determined that there are no other key audit matters to be communicated in our report.

CLACTON FAMILY TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLACTON FAMILY TRUST LIMITED

YEAR ENDED 31 MARCH 2020

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CLACTON FAMILY TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLACTON FAMILY TRUST LIMITED

YEAR ENDED 31 MARCH 2020

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

CLACTON FAMILY TRUST LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLACTON FAMILY TRUST
LIMITED**

YEAR ENDED 31 MARCH 2020

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

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

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

ALAN BROWN (Senior Statutory Auditor)
For and on behalf of TC Group

Statutory Auditor
TC Group, 92 Station Road, Clacton on Sea, Essex, CO15 1SG

Date: 23 December 2020

CLACTON FAMILY TRUST LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019 as restated
		£	£	£	£
Income:					
Charitable activities	5	3,547,317	-	3,547,317	3,645,646
Raising funds	6	904,759	—	904,759	827,933
Total income		<u>4,452,076</u>	<u>-</u>	<u>4,452,076</u>	<u>4,473,579</u>
Expenditure:					
Charitable activities:	7	(3,546,860)	(411)	(3,547,271)	(3,814,324)
Raising funds	8	(823,296)	-	(823,296)	(891,610)
Other	9	(50,370)	-	(50,370)	(237,983)
Total expenditure		<u>(4,420,526)</u>	<u>(411)</u>	<u>(4,420,937)</u>	<u>(4,943,917)</u>
Net (expenditure)/ income		<u>31,550</u>	<u>(411)</u>	<u>31,139</u>	<u>(470,338)</u>
Other recognised gains/ (losses)	10	-	-	-	(75,162)
Net movement in funds		<u>31,550</u>	<u>(411)</u>	<u>31,139</u>	<u>(545,500)</u>
Reconciliation of funds					
Total funds brought forward		<u>2,008,010</u>	<u>1,641</u>	<u>2,009,651</u>	<u>2,555,151</u>
Total funds carried forward		<u>2,039,560</u>	<u>1,230</u>	<u>2,040,790</u>	<u>2,009,651</u>

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

CLACTON FAMILY TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Note	Group 2020 £	Group 2019 as restated £	Charity 2020 £	Charity 2019 £
Fixed assets					
Tangible assets	16/17	6,840,843	7,270,280	6,777,952	7,169,198
Investments	18	-	-	50,000	50,000
Total Fixed Assets		6,840,843	7,270,280	6,827,952	7,219,198
Current assets					
Debtors	19	168,959	117,683	382,688	234,492
Cash at bank and in hand		951,281	838,191	646,492	640,347
Total Current Assets		1,120,240	955,874	1,029,180	874,839
Liabilities					
Creditors falling due within one year	21	(1,003,637)	(868,933)	(912,152)	(691,789)
Net Current assets		116,603	86,941	117,028	183,050
Total assets less current liabilities		6,957,446	7,432,383	6,944,980	7,402,248
Creditors: falling due after more than 1 year	23	(4,916,656)	(5,347,570)	(4,916,656)	(5,315,070)
Net assets		2,040,790	2,009,651	2,028,324	2,087,178
The funds of the charity:					
Unrestricted income funds	26	2,039,560	2,008,010	2,027,094	2,085,537
Restricted income funds		1,230	1,641	1,230	1,641
Total charity funds		2,040,790	2,009,651	2,028,324	2,087,178

These financial statements were approved by the board of trustees and authorised for issue on 21 December 2020 and are signed on behalf of the board by:

D Harris
Trustee

Company Registration Number: 03348314

CLACTON FAMILY TRUST LIMITED

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net income/(expenditure)	31,139	(545,500)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	562,929	592,914
Impairment of tangible fixed assets	-	75,162
Other interest receivable and similar income	-	(2)
Interest payable and similar charges	137,388	188,569
Gains on disposal of tangible fixed assets	29,261	235,715
<i>Changes in:</i>		
Trade and other debtors	(51,276)	(26,386)
Trade and other creditors	58,686	(89,141)
Cash generated from operations	768,127	431,331
Interest paid	(137,388)	(188,569)
Interest received	-	2
Taxation	19,402	2,268
Net cash from operating activities	650,141	245,032
Cash flows from investing activities		
Purchase of tangible assets	(234,852)	(159,112)
Proceeds from sale of tangible assets	72,098	443,897
Net cash used in investing activities	(162,754)	284,785
Cash flows from financing activities		
Repayment of borrowings	(360,169)	(309,834)
Payments of finance lease liabilities	(14,128)	(4,700)
Net cash used in financing activities	(374,297)	(314,534)
Net increase in cash and cash equivalents	113,090	215,283
Cash and cash equivalents at beginning of year	838,191	622,908
Cash and cash equivalents at end of year	951,281	838,191

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 92 Station Road, Clacton on Sea, CO15 1SG, Essex.

2. Statement of compliance

These financial statements have been prepared in compliance with the charity's Articles of Association, FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historic cost basis in accordance with the accounting policies set out below.

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

Consolidation

These financial statements consolidate the results of the Charity and its wholly owned subsidiary undertaking, Willow Park Resources Limited. The results of the subsidiary are consolidated on a line by line basis. A separate Statement of Financial Activities is not presented for the Charity itself following exemptions allowed by section 408 of the Companies Act 2006.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

The Trustees have considered the effect of the Covid-19 outbreak and consider the virus and the uncertainty of future lockdowns would cause a disruption to the Charity's business. In addition, as per note 20 of the financial statements, bank loan covenants have been breached. Therefore, a material uncertainty exists in relation to the going concern basis adopted in the preparation of the financial statements.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historic experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

3. Accounting policies (*continued*)

Key sources of estimation uncertainty

Depreciation-

The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The estimates are based on historical experience with similar assets.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are for use at the discretion of the Trustees in furtherance of the general objectives of the charity and have not been designated for any other purpose.

Restricted funds are funds subject to special conditions imposed by the donors. The funds can be utilised for the purchase of equipment and motor vehicles for use by the residents.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income: Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Resources expended are recognised on an accruals basis. Any resources expended which do not relate to the principal activity of the charity, but are incurred in its overall administration, are included under governance costs.

Outgoing resources are allocated to the charitable activities to which they relate. Where expenses are shared by activities, they have been allocated in direct proportion to the income received.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Freehold Property	Over 20 years
Computer Equipment	50% reducing balance
Fixtures, Fittings & Equipment	25% reducing balance
Motor Vehicles	25% reducing balance
Leasehold Property Improvements	Straight line over lease term

Items purchased for less than £1000 are written off to repairs. Land is not depreciated.

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

3. Accounting policies (*continued*)

Impairment of fixed assets

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

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Defined contribution plans

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

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

4 Limited by guarantee

The liability of the members is limited to £10 per member. As at 31 March 2020 there were five members.

5 Income from charitable activities

	Unrestricted funds 2020	Unrestricted Funds 2019
Residential care	3,527,883	3,645,420
Property letting	18,954	-
Other income	480	226
	<hr/>	<hr/>
Total income from charitable activities	<u>3,547,317</u>	<u>3,645,646</u>

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

6 Income from raising funds

	Unrestricted funds 2020	Unrestricted Funds 2019
Life Skills Centre	904,759	827,933
Total income from charitable activities	904,759	827,933

7 Analysis of expenditure on charitable activities

	Total Funds 2020 £	Total Funds 2019 £
Residential care	3,537,371	3,804,424
Governance costs (see note 9)	9,900	9,900
	3,547,571	3,814,324

Analysis by fund

Unrestricted funds	3,546,860	3,813,777
Restricted funds	411	547
	3,547,271	3,814,324

8 Analysis of raising funds

	Total Funds 2020 £	Total Funds 2019 £
Life Skills Centre	823,296	891,610
	823,296	891,610

9 Analysis of other resources expended

	Total Funds 2020 £	Total Funds 2019 £
Taxation	21,109	2,268
Loss on disposal of fixed assets	29,261	235,715
	50,370	237,983

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

10 Analysis of other recognised losses

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in the income and expenditure account:

	Total Funds 2020	Total Funds 2019
	£	£
In respect of:		
Property, plant and equipment	-	75,162
	<u>-</u>	<u>75,162</u>
	<u>-</u>	<u>75,162</u>

11 Analysis of support costs

	Total Funds 2020	Total Funds 2019
	£	£
Staff costs	2,832,839	2,836,195
Premises	328,770	566,601
Communications and IT	71,970	80,454
General office	101,038	113,528
Finance costs	137,388	188,569
Governance costs	9,900	9,900
Motor and travel costs	73,908	84,873
Depreciation costs	562,929	592,914
Other costs	302,195	470,883
	<u>4,420,937</u>	<u>4,943,917</u>

12 Analysis of governance costs

	Total Funds 2020	Total Funds 2019
	£	£
Audit fees	9,900	9,900
	<u>9,900</u>	<u>9,900</u>

13 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel of the group

	2020	2019
	£	£
Salaries and wages	2,640,822	2,658,521
Social security costs	154,694	152,520
Pension costs	37,323	25,154
	<u>2,832,839</u>	<u>2,836,195</u>

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

13 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel of the group (continued)

Redundancy costs, included in the above amounted to £32,500 (2019: £nil).

There was one employee receiving emoluments of more than £60,000 during the current year (2019: one), accounting for £108,333 in salary and £9,074 of social security costs.

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary Willow Park Resources Limited. The total employee benefits of the key management personnel of the Trust were £160,705 (2019: £195,661).

Key management personnel includes the chief executive officer and the human resources manager.

14 Staff Numbers

The average monthly head count during the year were as follows:

	2020 Number	2019 Number
Management	3	4
Other employees	139	142
	—	—
	142	146
	==	==

15 Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

16 Tangible fixed assets of the group

	Land and Buildings £	Other plant & machinery, etc. £	Total £
Cost:			
As at 1 April 2019	8,865,667	1,750,200	10,615,867
Additions	150,162	159,852	310,014
Disposals	-	(172,735)	(172,735)
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2020	<u>9,015,829</u>	<u>1,737,317</u>	<u>10,753,146</u>
Depreciation:			
As at 1 April 2019	2,088,492	1,257,095	3,345,587
Charge for the year	420,654	142,275	562,929
On disposals	-	(71,375)	(71,375)
Impairment losses	75,162	-	75,162
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2020	<u>2,584,308</u>	<u>1,327,995</u>	<u>3,912,303</u>
Net book value			
As at 1 April 2019	<u>6,777,175</u>	<u>493,105</u>	<u>7,270,280</u>
As at 31 March 2020	<u>6,431,521</u>	<u>409,322</u>	<u>6,840,843</u>

17 Tangible fixed assets of the company

	Land and Buildings £	Other plant & machinery etc. £	Total £
Cost:			
As at 1 April 2019	8,865,667	1,431,698	10,297,365
Additions	75,000	108,990	183,990
Disposals	-	(53,647)	(53,647)
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2020	<u>8,940,667</u>	<u>1,487,041</u>	<u>10,427,708</u>
Depreciation:			
As at 1 April 2019	2,088,492	1,039,675	3,128,167
Charge for the year	420,654	121,312	541,966
On disposals	-	(20,377)	(20,377)
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2020	<u>2,509,146</u>	<u>1,140,610</u>	<u>3,649,756</u>
Net book value			
As at 1 April 2019	<u>6,777,175</u>	<u>392,023</u>	<u>7,169,198</u>
As at 31 March 2020	<u>6,431,521</u>	<u>346,431</u>	<u>6,777,952</u>

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

18 Investments

The charity holds 50,000 shares of £1 each in its wholly owned trading subsidiary company Willow Park Resources Limited (Company number: 06772669) which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. This company operates a resource centre for disabled adults.

During the year ended 31 March 2020, Willow Park Resources Limited made a profit of £89,994 from a turnover of £1,046,204 and at 31 March 2020 its capital and reserves amounted to £62,466.

19 Debtors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	82,254	57,994	59,018	23,188
Amount due from subsidiary undertaking	-	-	268,578	179,459
Other debtors	-	-	-	-
Prepayments and accrued income	86,705	59,689	55,092	31,845
	168,959	117,683	382,688	234,492

20 Loans and overdrafts

	2020 £	2019 £
Bank loans	5,218,818	5,578,987
	5,218,818	5,578,987
Payable within one year	374,452	315,862
Payable after one year	4,844,366	5,263,125

The long-term loans are secured by fixed charges over freehold property.

The interest rate on the bank loan is 1.95% above Libor.

Whilst the above liability to the bank has been recorded as being payable after more than one year over the term of the loan, the bank covenants have been breached during the year and therefore the bank has the right to make demand for the repayment of the loan in full at any time.

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

21 Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loans and overdrafts	374,452	315,862	374,452	315,862
Trade creditors	165,801	129,124	152,585	120,344
Taxation and social security	49,828	80,099	25,067	58,834
Other creditors	27,193	19,442	25,006	9,224
Accruals and deferred income	386,363	324,406	335,042	187,525
	1,003,637	868,933	912,152	691,789

Within creditors falling due within one year, a bank loan of £374,452 and hire purchase contracts of £17,469 are secured on freehold property and motor vehicles owned by the charity.

22 Deferred income

Deferred income comprises of income received relating to residential care services provided by Clacton Family Trust Limited in April 2020.

	Group £	Charity £
Balance as at 1 April 2019	1,760	1,760
Amount released to income earned from charitable activities	(1,760)	(1,760)
Amount deferred in the year	145,354	145,354
Balance as at 31 March 2020	<u>145,354</u>	<u>145,354</u>

23 Creditors: amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank loans and overdrafts	4,844,366	5,263,125	4,844,366	5,263,125
Other creditors	72,290	84,445	72,290	51,945
	4,916,656	5,347,570	4,916,656	5,315,070

All of the liabilities disclosed under creditors falling due after more than one year are secured on freehold property and motor vehicles owned by the charity.

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

24 Commitments under finance leases

Future commitments under finance lease agreements are as follows:

	2020 £	2019 £
Amounts payable within 1 year	17,469	19,442
Amounts payable between 2 to 5 years	72,290	84,445
	<u>89,759</u>	<u>103,887</u>

25 Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £37,323 (2019: £25,154).

26 Analysis of charitable funds

Unrestricted funds

	Balance 1 April 2019 £	Incoming resources £	Resources Expended £	Funds 31 March 2020 £
General funds	<u>2,008,010</u>	<u>4,452,076</u>	<u>(4,420,526)</u>	<u>2,039,560</u>

Restricted funds

	Balance 1 April 2019 £	Incoming resources £	Resources Expended £	Funds 31 March 2020 £
Restricted funds	<u>1,641</u>	<u>-</u>	<u>(411)</u>	<u>1,230</u>

27 Analysis of group net assets between funds

	General Funds £	Restricted Funds £	Total £
Tangible fixed assets	6,839,613	1,230	6,840,843
Cash at bank and in hand	951,281	-	951,281
Other net current assets/(liabilities)	(834,678)	-	(834,678)
Creditors due after more than one year	<u>(4,916,656)</u>	<u>-</u>	<u>(4,916,656)</u>
	<u>2,039,560</u>	<u>1,230</u>	<u>2,040,790</u>

CLACTON FAMILY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

28 Related parties

During the year, the Charity charged rent to CFT Care Ltd, a company owned and controlled by Mr D P Thompson, totalling £17,600 (2019: £7,443). The charity also sold vehicles to CFT Care Ltd, totalling £48,383.

During the year, the charity purchased building and maintenance services from companies and individuals connected to Mr D P Thompson, totalling £39,353 (2019: £48,600). The balance owed to the companies and individuals at the balance sheet date was £9,383 (2019: £4,725).

Mr D P Thompson was Chief Executive Officer until 30 September 2019.

29 Prior period adjustment

Reconciliation of changes in equity

	1 April 2018 £	31 March 2019 £
Equity as previously reported	2,555,151	2,084,813
Adjustments to prior year		-
Impairment	-	(75,162)
Equity as adjusted	<u>2,555,151</u>	<u>2,009,651</u>

Reconciliation of changes in profit/(loss) for the previous financial period

	2019 £
Profit as previously reported	(470,338)
Adjustments to prior year	-
Impairment	(75,162)
Equity as adjusted	<u>(545,500)</u>

Notes to the reconciliation

Impairment

The accounts have been restated to incorporate a commitment for building works, which existed at 31 March 2019. The amount of £75,162, relating to historic works to disabled classrooms and a greenhouse facility, was invoiced in the current year. As at 31 March 2019, the works completed were of no value to the group and were fully impaired.

CLACTON FAMILY TRUST LIMITED

DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
INCOME		
CHARITABLE ACTIVITIES		
Residential care	3,527,883	3,645,420
Resource centre	904,759	827,933
Property letting	18,954	
Other income	480	226
	<hr/>	<hr/>
TOTAL INCOME	4,452,076	4,473,579
	<hr/>	<hr/>
CHARITABLE EXPENDITURE		
Purchases	116,614	115,271
Wages and salaries	2,660,025	2,658,521
Employer's NIC	135,491	152,520
Pension costs	37,323	25,154
Rent	-	6,600
Rates and water	17,372	20,249
Light and heat	59,626	62,409
Repairs and maintenance	212,860	430,374
Insurance	16,121	15,656
Cleaning and supplies	22,791	31,313
Motor and travel costs	73,908	76,423
Accountancy fees	10,968	11,714
Computer support	71,970	80,454
Bookkeeping	41,500	41,500
Legal and professional	51,706	40,029
Telephone	26,303	31,829
Sundry expenses	77,778	80,108
Depreciation	562,929	592,914
Bank charges	5,727	5,942
Printing, postage and stationery	22,267	28,485
Interest payable	137,388	188,569
	<hr/>	<hr/>
	4,360,667	4,696,034
GOVERNANCE COSTS		
Audit fees	9,900	9,900
OTHER		
Taxation	21,109	2,268
Loss on disposal of fixed assets	29,261	235,715
	<hr/>	<hr/>
TOTAL EXPENDITURE	4,420,937	4,943,917
	<hr/>	<hr/>
LOSSES ON IMPAIRMENT		
Losses on impairment	-	75,162
	<hr/>	<hr/>
NET INCOME FOR THE YEAR	31,139	(545,500)
	<hr/> <hr/>	<hr/> <hr/>