



# Orchard Homes

## ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2015





# Orchard Homes

## CONTENTS

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	<b>Page</b>
Chairman's Message	1
Chief Executive's Statement	2
Report of the Trustees	3-8
Independent Auditor's Report	9
Income and Expenditure Account	10
Statement of Total Recognised Surplus and Deficit	11
Balance Sheet	12
Cash flow Statement	13-14
Notes to the Financial Statements	15-22
Trustees, Officers and Advisers	23-24

# Orchard Homes

## CHAIRMAN'S MESSAGE

### for the year ended 31 March 2015

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Welcome to our Annual Report and Accounts for the year ended 31st March 2015.

Our mission to support the older people of our communities, in Bristol, to live independent lives, remains unchanged. The ways in which we respond to the challenges of this mission in a fast changing environment constantly develop.

The almshouse operation has seen some very significant changes in the last year. We are delighted with the way that our latest new building, that for John Barstaple's Charity in Brentry, has been completed and is now fully operational and fully occupied. We were honoured to welcome Her Royal Highness The Princess Royal to conduct the official opening in June.

Trustees are keen to provide the highest quality accommodation for all our residents. We recognise the anxiety and disruption when we reluctantly conclude that buildings are reaching the end of their useful lives for our residents and we try our absolute best to handle relocation as sensitively as possible.

This year we sold The Manor House in Kingsdown. We are very excited at the prospect of our planned new development at Stockwood, which Anne Anketell, our Chief Executive, explains in more detail in her report. This is probably the single most ambitious development in our recent

history, providing as it will, 60 apartments for older people with "Extra Care" facilities.

Our Chief Executive, Anne Anketell, is gradually putting together a management team with appropriate breadth of experience and depth of resource as she builds our overall operational capability. Her plans, strongly supported by Trustees, are explored in her report but there is no doubting her ambition to grow our operations to meet the ever-increasing needs of our current and future beneficiaries. The credibility of the team is endorsed by our relations with bankers, who are prepared to support our expansion plans with prudent levels of borrowing.

There is much comment in the press about charity governance and recent difficulties in a number of cases highlight this. I am very grateful for the support of our Trustees. We constantly review the range of experience of Trustees and where we identify gaps seek to fill these. I am very pleased to welcome this year Melanie Ball, with her marketing and development background, Paul Staples, with his finance and auditing experience and Dr Shaheen Chaudhry, High Sheriff of Bristol 2013/14, who brings wide experience in social care and charity.

We said goodbye to two Trustees. Firstly, Helen Moss OBE, whose experience of both managing, leading and also contributing at Board level to other charities in Bristol, has been invaluable to the organisation. Secondly, Alfred Morris CBE, whose wise counsel, has been valuable through a period of rapid change.

Sadly, I have to report the death of Clive Halton, former Chairman (1996-2002), who made an outstanding contribution to the modernisation of our operations. We were very pleased to mark the huge contribution of another former Chairman, the late Stephen Thomas, by naming the common room at the new Barstaple Almshouse in his honour.

Our Patron, Mary Prior, and our Trustees continue to commit hugely of their time and I am in awe of them for all that they do. Nevertheless we need constantly to review how we do business and we have committed to a review of our governance arrangements this autumn.

Finally, I must pay tribute to Anne and her team. We ask a great deal of such a small organisation and they always seem able to deliver. The current year promises to be no less exciting than the last.

**Andrew Hillman, A.C.A., Chairman of Trustees**

# Orchard Homes

## CHIEF EXECUTIVE'S STATEMENT for the year ended 31 March 2015

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2014/15 was the second year of Orchard Homes' new strategy and we have achieved so much in the last twelve months. Our current development programme is as strong as it ever has been, we took handover of the Barstaple Almshouse in Brentry early in the year and we have now started work on our next new project in Stockwood, South Bristol. Here at Bristol Charities we are acutely aware that the population is ageing and that means more complex care and health needs and increasing levels of dementia. As people's needs and expectations have changed, we know that Bristol Charities needs to continue to evolve to meet them.

We have worked closely with Bristol City Council over the past year to ensure that our new project at Stockwood meets the specific needs of older people in Bristol. The new project will be an Extra Care Scheme providing independent living accommodation, but with 24 hour care and support as well as a range of other services on site. We are keen that our new project is designed to meet a wide range of needs, so that we can continue to work to support as many older people to live independently at home for as long as possible.

As is the case every year, it is only made possible by staff, Trustees, colleagues, volunteers, families, residents and service users. Thank you to everyone who has contributed to another successful year at Bristol Charities.

**Anne Anketell**

**Chief Executive**

# Orchard Homes

## REPORT OF THE TRUSTEES

### for the year ended 31 March 2015

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The Trustees present their annual report on the affairs of Orchard Homes, together with the financial statements and auditor's report, for the year ended 31 March 2015.

#### **OBJECTS**

The aim and objects of Orchard Homes is the provision of almshouses accommodation for poor persons resident in the City of Bristol.

#### **PUBLIC BENEFIT AIMS**

In exercising relevant powers and duties, the Trustees have considered Charity Commission guidance on public benefit from Section 17 of the Charities Act 2011.

# Orchard Homes

## REPORT OF THE TRUSTEES STRATEGIC REPORT

for the year ended 31 March 2015

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### DELIVERING BRISTOL CHARITIES' ALMSHOUSE AND ACCOMODATION STRATEGY

#### **ACHIEVEMENTS AND PERFORMANCE in 2014/15**

Housing vulnerable older people in the areas of greatest need in Bristol remains a priority for the Charity. In 2013/14 we agreed a three year strategy that would involve a review of our current property portfolio, with the intention to dispose of almshouses that were no longer fit for purpose and that were not sustainable in the long term. The strategy involved replacing them with new almshouses that combine value for money with state of the art design and practicality, in locations that meet local demand and need and maximise benefits to individuals.



*John Foster's Almshouse, Henbury, Bristol*

In 2014/15, the second year of that strategy, we have completed the first phase involving taking handover of the new Barstaple Almshouse in Brentry, the disposal of several sites and the acquisition of a site in Stockwood, South Bristol as the location for a new development. The Charity has worked closely with the City Council in identifying what the new provision should be, and was keen to embrace Bristol's vision of specialist accommodation that reduces peoples need for residential care, increases the supply of housing with care, and maximises the number of people living in their own home.

The new scheme in Stockwood will be a sixty unit Extra Care Scheme, with a mixture of one and two bed flats available to rent with care on site for those who need it. In order to be able to maximise the number of older people able to remain in their own homes, the scheme will provide spatial and other requirements to meet the needs of a wide range of physical, sensory and cognitive impairment. Construction of this project will start in early 2016.

In terms of the Charity's existing provision, we took handover of the Barstaple Almshouse early in 2014/15 and have focussed on letting all flats. The almshouse is now full.

# Orchard Homes

REPORT OF THE TRUSTEES

STRATEGIC REPORT

for the year ended 31 March 2015

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*Barstaple Almshouse, Brentry, Bristol*

2014/15 also saw the Charity undertake its first Residents Satisfaction Survey. Highlights from this survey include:

- 92% resident satisfaction with the quality of their homes
- 93% were satisfied with the ability of staff to deal with queries quickly and efficiently
- 79% satisfaction with quality of repairs and maintenance
- 89% satisfaction with the support service.

## **PLANS FOR THE FUTURE**

Our priorities for the coming year will be to get the Extra Care Scheme at Stockwood on site and development underway. This will include developing and setting up the care service at the scheme alongside our care provider partner. We intend to complete our property strategy in 2015/16 by reviewing the long term future of two further almshouses and acquiring another site ready for re-provision.



*An early design sketch of the new almshouse development in Stockwood, Bristol*

# Orchard Homes

## REPORT OF THE TRUSTEES

### STRATEGIC REPORT

for the year ended 31 March 2015

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#### **PRINCIPAL RISKS**

Management of risk is a key and integral part of our planning, with risks identified and assessed as we develop our plan each year. The Audit Committee and Trustees monitor and review our significant risks and our processes for managing them, along with our arrangements for internal and external audits.

During the last year, we identified and managed the following key risks:

- Having poor handover arrangements at Barstaple, which negatively affects residents and service delivery.
- Lack of demand for almshouse accommodation resulting in loss of income.
- Failing to identify and acquire suitable sites for future development.
- Health and Safety and environment issues lead to untoward death or injury of a resident.

We have implemented plans to mitigate these risks and regularly reassess them.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Orchard Homes is both a registered housing association (No. A0072) and a registered charity (No. 1109141/17), constituted under a Charity Commission scheme dated 6 September 1977, as amended in September 1980.

Bristol Charities is the corporate trustee of the charity.

Bristol Charities' Trustees are appointed on a triennial basis. Candidates are recruited on the basis of the skills and experience required on the board. The Nominations Committee identifies the skills, experience and knowledge that will be needed on the Board and seeks to recruit candidates on this basis. The Committee oversees the process of recruitment and makes recommendations to the Board of Trustees at the Annual General Meeting.

The list of Bristol Charities' trustees, along with the registered charity address and list of advisors is included on pages 23 and 24.

Day to day management is delegated to the Chief Executive (Anne Anketell). The Chief Executive reports progress on key areas of work to the board on a regular basis.

#### **FINANCIAL REVIEW**

2015 has been a year of investment by the charity. Barstaple Almshouse was completed in April 2014 and the first residents moved in in May 2014. Construction on a new development at Stockwood will start in early 2016.

The surplus for the year was £1,342K (2014: £383K) and was made up of:

Surplus on disposal of Manor House	£1,147K
Operating surplus	£56K
Investment income	£101K
Donations	£12K
Interest receivable	£26K

The Manor House almshouse was sold in February 2015.

The operating surplus in the year was £56K (2014: £164K) The surplus has decreased in the year due to a reduction in revenues from Manor House as the almshouse was decanted prior to its sale and the operating loss on Barstaple which incurred a full year of operating costs but only gradually took on residents during the year from May 2014 onwards.

The investment income in the year of £101K was consistent with the previous year (2014: £98K).

# Orchard Homes

## REPORT OF THE TRUSTEES

### STRATEGIC REPORT

for the year ended 31 March 2015

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#### **GOING CONCERN**

The Trustees' forecasts and projections, taking account of reasonably foreseeable changes in income and expenditure, show that the Charity has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report of the Trustees and financial statements.

#### **RESERVES POLICY**

Based on the above the Trustees have a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report of the Trustees and financial statements. The Charity's income stream, of weekly maintenance charges and heat and water charges, is very regular. It is received on a weekly basis from residents and on a monthly basis from the local authority. A minimum cash reserve of £50,000 is retained in the current account, which is one month's maximum expected monthly expenditure. Any cash above this is, once obligations have been met, is used to repay the intercompany balance to Bristol Charities. The reserves policy will be reviewed once the intercompany balance has been repaid.

# Orchard Homes

## REPORT OF THE TRUSTEES TRUSTEES' RESPONSIBILITIES STATEMENT for the year ended 31 March 2015

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### Trustees' Responsibilities Statement

The trustees (who are also directors of Bristol Charities for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

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 the group and of the incoming resources and application of resources, including the 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 then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

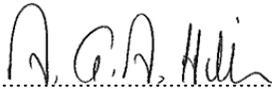
Deloitte LLP has indicated its willingness to continue in office.

In so far as the trustees are aware:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:



.....  
Andrew Hillman, A.C.A. (Chairman of Trustees)

Date 24 November 2015 .....

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORCHARD HOMES

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We have audited the financial statements of Orchard Homes for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 and of its incoming resources and application of resources, 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 Charities Act 2011, the Housing and Regeneration Act 2008 and The Accounting Requirements for Registered Social Landlords General Determination 2006.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



### **Deloitte LLP**

Chartered Accountants and Statutory Auditor  
Bristol, United Kingdom

25 November 2015

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

# Orchard Homes

## INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 March 2015

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	Note	2015 £	2014 £
<b>Turnover</b>			
Continuing operations	2	644,453	565,262
<b>Operating costs</b>	2	(588,530)	(400,565)
<b>Operating surplus</b>		55,923	164,597
Profit on disposal of fixed assets	4,6	1,147,547	78,333
Investment income		100,485	98,116
Donations		11,702	11,622
Interest receivable on short-term deposits		26,490	29,738
<b>Surplus for the financial year</b>		<u>1,342,147</u>	<u>382,506</u>

The notes on pages 15 to 22 form part of these accounts. All of the charity's operations are classed as continuing.

There are no material differences between the historic cost surplus and that shown within the income and expenditure account.

# Orchard Homes

## STATEMENT OF TOTAL RECOGNISED SURPLUS AND DEFICIT for the year ended 31 March 2015

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	Note	2015 £	2014 £
<b>Surplus for the year</b>		1,342,147	382,506
Unrealised (deficit)/surplus on revaluation of investments	7	203,420	(8,567)
<b>Total recognised surplus for the year</b>		<u>1,545,567</u>	<u>373,939</u>

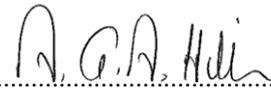
**Orchard Homes**  
**BALANCE SHEET**  
for the year ended 31 March 2015

	Note	2015	2014
		£	£
<b>Fixed assets</b>			
Housing properties – depreciated cost		9,886,363	9,712,300
Less Social Housing Grants		(1,916,043)	(1,916,043)
		<u>7,970,320</u>	<u>7,796,257</u>
Housing property	6	7,970,320	7,796,257
Investments	7	3,159,361	2,955,941
Other fixed assets	8	21,563	3,780
		<u>11,151,244</u>	<u>10,755,978</u>
<b>Current assets</b>			
Debtors due after more than one year	9	712,507	619,926
Debtors due within one year	9	114,735	121,919
Investments	10	2,184,633	1,450,847
Cash at bank and in hand		282,395	127,663
		<u>3,294,270</u>	<u>2,320,355</u>
<b>Creditors: amounts falling due within one year</b>	10	(181,490)	(357,876)
<b>Net current assets</b>		<u>3,112,780</u>	<u>1,962,479</u>
		<u>14,264,024</u>	<u>12,718,457</u>
<b>Capital and reserves</b>			
Endowment reserves	14	11,404,337	9,740,327
Restricted reserves	14	265,264	705,448
Unrestricted reserves:			
Revenue reserves	14	2,594,423	2,272,682
		<u>14,264,024</u>	<u>12,718,457</u>

The notes on pages 15 to 22 form part of these accounts.

The financial statements of Orchard Homes, charity registration number 1109141/17, were approved by the Board of Trustees and authorised for issue on 24 November 2015 I signed on their behalf by:

Andrew Hillman (Chairman)

  
.....

**Orchard Homes**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2015

	Note	2015	2014
		£	£
NET CASH FLOW FROM OPERATING ACTIVITIES	(i)	34,506	234,189
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Investment income		100,485	98,116
Interest received		26,490	29,738
		126,975	127,854
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Investment in William Jones's Almhouse Charity Loan		(123,900)	(237,634)
William Jones's Almshouse Charity Loan repayments		25,529	-
Acquisition and construction of properties		(301,205)	(3,369,312)
Purchase of other fixed assets		(20,934)	(74)
Profit on disposal of housing properties		1,147,547	85,267
Net cash inflow/(outflow) from capital expenditure		727,037	(3,521,753)
<b>Change in cash in the reporting period</b>		888,518	(3,159,710)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		1,578,510	4,738,220
<b>Cash and cash equivalents at the end of the reporting period</b>	(ii)	2,467,028	1,578,510

**Orchard Homes**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2015

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NOTES TO THE CASH FLOW STATEMENT

(i) RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
<b>Net movement in funds for the reporting period</b>	1,342,147	382,506
Adjustments for:		
Depreciation charges	130,293	64,258
(Profit) on the disposal of fixed assets	(1,147,547)	(78,333)
Investment income	(100,485)	(98,116)
Interest receivable on short-term deposits	(26,490)	(29,738)
(Increase) in debtors	(85,397)	(279,829)
Add back increase in debtor due to investing in William Jones's Almshouse loan	98,371	237,634
(Decrease)/Increase in creditors	(176,386)	35,807
<b>Net cash provided by operating activities</b>	<u>34,506</u>	<u>234,189</u>

(ii) ANALYSIS OF CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Instant access cash investments	2,184,633	1,450,847
Cash at bank and in hand	282,395	127,663
<b>Total cash and cash equivalents</b>	<u>2,467,028</u>	<u>1,578,510</u>

# Orchard Homes

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2015

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### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including the Statement of Recommended Practice, "Accounting by Registered Social Housing Providers Update 2010" (RSL SORP update 2010) and the Accounting requirements for Registered Social Landlords General Determination 2006. A summary of the more important accounting policies is set out below.

The financial statements are prepared on the historical cost convention modified to include the revaluation of fixed asset investments. They are prepared on a going concern basis.

#### **Going Concern**

Orchard Home's activities and future plans are set out in the Trustees' report.

Orchard Homes has no external borrowing facilities and manages its activities with positive unrestricted bank balances. The Trustees' forecasts and projections, taking account of reasonably foreseeable changes in income and expenditure, show that Orchard Homes has adequate resources to continue in operational existence for the foreseeable future.

Rental income represents Orchard Homes largest income stream.

Orchard Homes also receives substantial investment income from investments in the Common Pooled Investment Fund.

#### **Turnover**

Turnover represents rental and service charge income on an accruals basis.

#### **Value added tax**

Value added tax (VAT) is not recoverable by the Charity and expenditure is shown in the accounts inclusive of VAT.

#### **Tangible fixed assets and depreciation**

Fixed assets are initially recorded at cost.

Depreciation is provided to write off the cost of motor vehicles at 25% per annum on a reducing balance basis; and computer equipment over three years on a straight line basis.

#### **Housing properties**

Housing properties are initially stated at cost. The cost of such properties includes the cost of acquiring land and buildings, development expenditure, and expenditure incurred in respect of improvements which increase the future net income stream. Interest is capitalised up to the date of practical completion of the relevant scheme. Assets in the course of construction are capitalised at cost and not depreciated until the work is complete and the assets are transferred to other categories.

Component accounting as set out in the RSL SORP update 2010 has been used to calculate depreciation for John Foster's Almshouse as is where it has a material impact. Depreciation on all capitalised components for John Foster's Almshouse is on a straight line basis over the life of the asset as follows:

Component	Useful Economic Life
Land	Nil
Kitchens	20
Bathrooms	20
Heating	20
Roof	30
Windows	30
Lift	30
Structure	100

# Orchard Homes

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

### 1. ACCOUNTING POLICIES *(continued)*

For other housing properties depreciation is charged at 2% per annum on the cost excluding land. The depreciable amount is the cost of purchase less the value of Housing Grants received and estimated realisable value.

#### **Social Housing grants**

Social Housing grants are paid by the Housing and Communities Agency (HCA) to reduce the cost of development. Where developments have been financed wholly or partly by Social Housing grants, the cost of these developments has been reduced by the amount of the grant received. Social Housing grant is repayable under certain circumstances, primarily following the sale of a relevant property when the repayable amount will often be restricted to the net proceeds of the sale.

#### **Investments**

Investments are included at their mid-market value at the balance sheet date. Any gain or loss on valuation is taken to the endowment fund and reflected in the Statement of Financial Activities.

### 2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	----- Housing -----			
	Almshouses	The Furber Fund	2015 Total	2014 Total
	£	£	£	£
Turnover	571,438	73,015	644,453	565,262
Operating costs	(549,846)	(38,684)	(588,530)	(400,565)
<b>Operating surplus</b>	<u>21,592</u>	<u>34,331</u>	<u>55,923</u>	<u>164,697</u>
<b>Turnover</b>				
Rents/maintenance charges/fees	431,148	73,015	504,163	506,128
Service charges	248,567	-	248,567	82,734
Rent losses from voids	(108,277)	-	(108,277)	(23,600)
	<u>571,438</u>	<u>73,015</u>	<u>644,453</u>	<u>565,262</u>
<b>Operating costs</b>				
Routine maintenance	(32,629)	(9,900)	(42,529)	(57,017)
Direct costs	(247,656)	(14,353)	(262,009)	(171,356)
Administrative costs – management	(136,359)	(12,210)	(148,569)	(101,270)
Administrative costs – other	(6,731)	(830)	(7,561)	(6,668)
Depreciation	(126,471)	(1,391)	(127,862)	(64,254)
	<u>(549,846)</u>	<u>(38,684)</u>	<u>(588,530)</u>	<u>(400,565)</u>

### 3. STAFF NUMBERS AND COSTS

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

	2015		2014	
	Persons No.	Full-time equivalent No.	Persons No.	Full-time equivalent No.
Average monthly number of staff	<u>3</u>	<u>2.4</u>	<u>2</u>	<u>1.8</u>

# Orchard Homes

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

### 3. STAFF NUMBERS AND COSTS *(continued)*

Staff are employed by Bristol Charities and the salary costs are apportioned to Orchard Homes on the basis of time allocated to the charity. Salary costs for 2015 were £63,734 (2014: £35,138).

A fee is paid in respect of the management services, to the Trustee, Bristol Charities, as there is no separate executive or management team. Details of the amounts paid to Bristol Charities in this respect are shown within note 15.

### 4. SURPLUS FOR THE FINANCIAL YEAR

The surplus for the financial year is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets	3,151	1,265
Depreciation of housing properties	127,142	62,993
Surplus on disposal of housing properties	(1,147,547)	(78,333)
Auditor's remuneration:		
Fees in respect of the audit of the Charity's annual accounts	7,561	7,320
	<u>          </u>	<u>          </u>

### 5. TAXATION

Orchard Homes is a registered charity and as such is entitled to relevant tax exemptions on its charitable income and gains properly applied under normal circumstances for its charitable purposes.

### 6. HOUSING PROPERTY

	Assets in the course of construction £	Almshouses £	Housing £	Total £
<b>Freehold property at cost</b>				
At beginning of year	4,909,347	4,922,063	139,127	9,970,537
Additions	86,366	214,839	-	301,205
Transferred to Almshouses	(4,909,347)	4,909,347	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2015	86,366	10,046,249	139,127	10,271,742
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At beginning of year	-	238,758	19,479	258,237
Charge in year	-	125,751	1,391	127,142
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2015	-	364,509	20,870	385,379
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Social Housing grants</b>				
At beginning and end of year	-	1,916,043	-	1,916,043
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value at 31 March 2015</b>	<u>86,366</u>	<u>7,765,697</u>	<u>118,257</u>	<u>7,970,320</u>
<b>Net book value at 31 March 2014</b>	<u>4,909,347</u>	<u>2,767,262</u>	<u>119,648</u>	<u>7,796,257</u>

# Orchard Homes

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

### 6. HOUSING PROPERTY *(continued)*

For insurance purposes the combined value of all housing properties, being the Almshouses and the properties in the Furber Fund, was £16,122,558 (2014 £12,188,812).

During the year the Manor House Almshouse was disposed of for proceeds of £1,147,547. This asset was acquired in 2008/09 on the transfer of assets and Trusteeship of The Manor House for the Elderly Charity which was subsequently removed from the Charity Register. On transfer this asset had a £nil Net Book Value.

### 7. INVESTMENTS

	2015 £	2014 £
Market value at beginning of year	2,955,941	2,964,508
Gain/(Loss) on revaluation	203,420	(8,567)
	<u>3,159,361</u>	<u>2,955,941</u>
Market value at end of year	3,159,361	2,955,941
	<u>2,328,535</u>	<u>2,328,535</u>
Historical cost at end of year	2,328,535	2,328,535
	<u>2,328,535</u>	<u>2,328,535</u>
Investments comprise:	£	£
Bristol Charities Common Pooled Investment Fund	3,158,351	2,954,931
Other investments	1,010	1,010
	<u>3,159,361</u>	<u>2,955,941</u>

At 31 March 2015 the Charity held 581,299 units in the Bristol Charities Common Pooled Investment Fund (CPIF) (2014: 581,299). Full details of the CPIF are included in the Bristol Charities financial statements (notes 4 and 24).

### 8. OTHER FIXED ASSETS

	Equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At beginning of year	3,386	4,717	8,103
Additions	20,934	-	20,934
	<u>24,320</u>	<u>4,717</u>	<u>29,037</u>
At end of year	24,320	4,717	29,037
<b>Depreciation</b>			
At beginning of year	1,224	3,099	4,323
Charge for the year	2,746	405	3,151
	<u>3,970</u>	<u>3,504</u>	<u>7,474</u>
At end of year	3,970	3,504	7,474
<b>Net book value at 31 March 2015</b>	<u>20,350</u>	<u>1,213</u>	<u>21,563</u>
<b>Net book value at 31 March 2014</b>	<u>2,162</u>	<u>1,618</u>	<u>3,780</u>

# Orchard Homes

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

9. DEBTORS	2015	2014
	£	£
Due after more than one year: investment in William Jones's Almshouse Charity Loan	712,507	619,926
Due within one year:		
Trade debtors	30,398	9,954
Investment in William Jones's Almshouse Charity Loan, due within one year	30,190	24,400
Amounts due from parent charity, intercompany account balance	39,957	65,194
Amounts due from other group charities, intercompany account With William Jones's Almshouse Charity	944	1,680
Other debtors and prepayments	13,246	20,691
	<u>114,735</u>	<u>121,919</u>
Total Debtors	<u>827,242</u>	<u>741,845</u>

### WILLIAM JONES'S ALMSHOUSE CHARITY LOAN

In 2012/13, Bristol Charities – the parent charity – agreed to lend to William Jones's Almshouse Charity (another group charity) up to £750,000, towards building a new almshouse. Orchard Homes invested in the loan and receives interest of 2.73% per annum above the Bank of England base-rate, accrued monthly, on the investment.

It was expected that, once the build was complete in June 2014, the loan would be transferred to a bank. In this way the funds would be returned to Orchard Homes within the year 2013/14 and so in prior years that full balance was shown in current debtors.

After reviewing the options for transferring the loan to a bank, it has been decided not to pursue this option. It was therefore agreed that Orchard Homes would invest further additional funds so that its investment then equated to the total loan to William Jones's Almshouse Charity.

The loan is repayable over 21 years from August 2013. As there are no current plans to liquidate the investment, amounts repayable after 12 months are shown in debtors due after one year. At the end of the year, Orchard Homes had £742,697 invested in the loan (2013/14 £644,326) of which £712,507 was due after more than one year.

10. INVESTMENTS	2015	2014
	£	£
Cash on deposit with Royal London Cash Management Limited	<u>2,184,633</u>	<u>1,450,847</u>

The cash invested can be withdrawn without notice.

# Orchard Homes

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

### 11. CREDITORS

	2015	2014
	£	£
Due within one year:		
Deferred income	778	11,033
Trade creditors	42,060	17,951
Other creditors	23,206	6,290
Accruals	115,446	322,602
	<u>181,490</u>	<u>357,876</u>

Purchase invoices were paid, on average, within 49 days of receipt of invoice in 2014/15 (2013/14: 17 days).

### 12. GROSS TRANSFERS BETWEEN RESERVES

The following amounts were transferred between reserves during the year:

	Endowment reserves	Restricted reserves	Unrestricted reserves
	£	£	£
Transfer from Restricted to Endowment reserves	457,270	(457,270)	-
Transfers during the year	<u>457,270</u>	<u>(457,270)</u>	<u>-</u>

Within Restricted reserves at 31 March 2014 is a Recoupment Fund which was set up to recoup Endowment reserves that had been spent on property repairs. The properties that were repaired have since been sold. Orchard Homes plans to use its Endowment reserves to develop a new almshouse at Stockwood and it has been decided it would be appropriate to transfer the Recoupment Fund to Endowment to supplement the reserves to be used to fund Stockwood.

All transfers have been made in accordance with restrictions on use of reserves.

### 13. TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

No remuneration or expenses were paid by Orchard Homes to any trustee of the parent charity during the year, or the prior year.

### 14. CAPITAL AND RESERVES

	Endowment reserves	Restricted reserves	Unrestricted reserves	Total
	£	£	£	£
At beginning of year	9,740,327	705,448	2,272,682	12,718,457
Surplus for the financial year	1,020,406	-	321,741	1,342,147
Transfers	457,270	(457,270)	-	-
Gain on revaluation of investments	186,334	17,086	-	203,420
At end of year	<u>11,404,337</u>	<u>265,264</u>	<u>2,594,423</u>	<u>14,264,024</u>

# Orchard Homes

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

### 14. CAPITAL AND RESERVES *(continued)*

Unrestricted reserves are represented by:

	Balance at 1 April 2014 £	Total income £	Total expenditure £	Balance at 31 March 2015 £
General unrestricted reserve	2,272,682	783,129	(461,388)	2,594,423
Total unrestricted reserves	<u>2,272,682</u>	<u>783,129</u>	<u>(461,388)</u>	<u>2,594,423</u>

The capital and reserves are represented by:

	Endowment reserves £	Restricted reserves £	Unrestricted reserves £	Total £
Housing property	7,970,320	-	-	7,970,320
Investments	2,894,097	265,264	-	3,159,361
Other fixed assets	-	-	21,563	21,563
Current assets	539,920	-	2,754,350	3,294,270
Current liabilities	-	-	(181,490)	(181,490)
Total net assets	<u>11,404,337</u>	<u>265,264</u>	<u>2,594,423</u>	<u>14,264,024</u>

The Restricted Reserves are funds that were set aside for major repairs when Orchard Homes owned historic properties, for which significant repairs reserves were needed because of the properties' ages. As the historic almshouses have been reprovisioned, we are reviewing the reserve needed for major repairs. An excess will be released for future almshouse construction projects.

### 15. HOUSING STOCK

The number of Housing Units in management at 31 March was:

	2015 No.	2014 No.
Housing accommodation for letting	<u>97</u>	<u>75</u>

# Orchard Homes

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

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### 16. RELATED PARTY TRANSACTIONS

Bristol Charities, the sole Trustee of Orchard Homes, provided the charity with administrative services and charged Orchard Homes £256,632 (2014: £173,270) in respect of the charity's share of the total administrative costs. 2015 management charges are split as follows:

	£
Almshouse costs expensed in the Income & Expenditure Account	148,569
Costs incurred in the sale of housing properties	50,000
Costs incurred in the development of new almshouses and capitalised in the year	58,063
	<u>256,632</u>

The amount owed to Orchard Homes from Bristol Charities as at 31 March 2015 was £742,697 (2014: £709,520). This includes £742,697 (2014: £644,326) which was invested in the loan to William Jones's Almshouse Charity, another subsidiary charity of Bristol Charities, see note 9 for more details.

The amount owed from Orchard Homes to Bristol Charities as at 31 March 2015 was £39,969 (2014: nil).

Orchard Homes' maintenance officer visited William Jones's Almshouse whilst it was being constructed and continues to go as needed to resolve minor maintenance issues. Orchard Homes charged William Jones's Almshouse Charity £840 for this service, which equates to 1 day of the maintenance officer's salary per month during the year.

### 17. ULTIMATE CONTROLLING PARTY

Ultimate control over the entity is held by Bristol Charities as sole Trustee of Orchard Homes.

# Orchard Homes

## TRUSTEES, OFFICERS AND ADVISERS

for the year ended 31 March 2015

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Trustee Bristol Charities

The Trustees of Bristol Charities are:

Andrew Hillman, A.C.A. (Chairman of Trustees)  
Laura Claydon, LL.B., Solicitor (Vice Chairman of Trustees)  
Melanie Ball M.Inst.F. (appointed 24 November 2015)  
Dr Shaheen Shahzadi Chaudhry J.P. (appointed 24 November 2015)  
Kamala Das, LL.M., Barrister  
Richard Gore, B.A. (Joint Hons.), Solicitor  
Susan Hampton, D.L., J.P., B.Sc.  
Tony Harris, M.Sc., F.C.A.  
Dr Ros Kennedy, MB, BS, MRCP, MRCGP, DCH  
Dudley Lewis, Solicitor  
Michelle Meredith  
Sonia Mills, M.A., M.Sc., M.IHSM Dip. HSM  
Alfred Morris, C.B.E., D.L., Hon. LL.D., F.C.A. (retired 28 October 2014)  
Helen E Moss O.B.E. (retired 28 October 2014)  
Paul Staples, A.C.A., B.Sc. (Hons) (appointed 28 October 2014)  
David Watts, J.P., M.A., F.R.I.C.S.  
John Webster, B.A., B.Arch., R.I.B.A., M.R.T.P.I.

Chief Executive Anne Anketell, B.A. (Hons)

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155 Bishopsgate  
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Smith & Williamson Investment Management  
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Portwall Lane  
Bristol  
BS1 6NA

Auditor Deloitte LLP  
3 Rivergate  
Temple Quay  
Bristol  
BS1 6GD

# Orchard Homes

TRUSTEES, OFFICERS AND ADVISERS  
for the year ended 31 March 2015

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Bankers                      HSBC Bank Plc.  
                                    62 George White Street  
                                    Cabot Circus  
                                    Bristol  
                                    BS1 3BA

Legal Advisers              Bond Dickinson LLP  
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                                    Temple Back East  
                                    Bristol  
                                    BS1 6DZ

                                    Veale Wasbrough Vizards LLP  
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                                    Orchard Lane  
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