

Orchard Homes

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31st March 2018



Haberfield House

Registered Charity No. 1109141/17
Homes and Communities Agency Registration No. A0072

National Association of Almshouses Membership No. 177

Orchard Homes

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Orchard Homes

MESSAGE FROM THE CHIEF EXECUTIVE AND THE CHAIR

for the year ended 31st March 2018

Welcome to the Orchard Homes' Annual Report. It has been a busy and exciting year for the charity. We would like to thank Andrew Hillman who retired as Chair in 2017 after 6 years at the helm. We also said goodbye during the year to Kamala Das, Susan Hampton, Dudley Lewis and David Watts as retiring Trustees and Melanie Tiley who left during the year. All of these Trustees made vital and significant contributions during their tenure.

Our Haberfield House Scheme has reached an important milestone with a "Topping Out" ceremony to celebrate reaching the final piece of the roof structure. Work is on schedule for the completion and handover of the scheme in November 2018. Alongside the 60 additional homes that Haberfield House will provide, 3 additional homes are being planned at our Barstaple Scheme and a further site is being investigated. This means that we are well on our way to achieving our target of 100 new homes within the next three years.

As well as extending our reach, a top priority for all of us is that residents live in good quality homes and that they and our other service users receive a consistently good service from us. To ensure this happens, we have made several improvements to systems and processes internally. This includes reviewing our repairs and maintenance services, improvements to I.T. Security and Disaster Recovery, procurement of a new rent management system and reviewing our Health and Safety arrangements following the Grenfell Tower disaster.

We are very proud of the work and progress made by Trustees and staff during the past year, and would like to take the opportunity to thank them and all those who worked with us for a great year. We look forward to working with you in 2018.



Richard Gore, BA (Joint Hons)
Chair of Trustees



Anne Anketell
CEO

Orchard Homes

MISSION STATEMENT AND VALUES

for the year ended 31st March 2018

This is the mission statement for the Bristol Charities Group. Orchard Homes is part of the Bristol Charities Group and shares its missions, values and purpose.



WHO WE ARE, WHAT WE DO

OUR MISSION:

Providing opportunities and support for people and communities to improve lives through grants, housing and charitable projects

WHAT WE ASPIRE TO BE

OUR VALUES:

Commitment to Excellence: We set high standards and strive to improve the quality of everything we do for the people we work with

One Team: Working together across different service areas towards shared goals

Aspirational in Our Approach: We embrace innovation, anticipate change and respond with creative solutions

Passion for Our Work: We show pride, enthusiasm and dedication at all times and are committed to making a difference

Orchard Homes

REPORT OF THE TRUSTEES – STRATEGIC REPORT
for the year ended 31st March 2018

Introduction:

The Trustees present their annual report including a strategic report on the activities of Orchard Homes together with the financial statements for the year ended 31st March 2018.

Aims and Objectives:

The aims and objectives of Orchard Homes are contained in the Charity's Scheme. Its main object is to provide Almshouses for persons in need that are resident in the City of Bristol.

We do this by:

- Developing well designed high-quality homes for older people who need them in the Bristol area. The Charity currently has 60 homes in development in Stockwood, South Bristol
- Providing excellent accommodation through our 2 existing Almshouses, each one offering onsite support and a safe community setting
- In total providing 49 one and two bed self-contained flats
- Managing and repairing our existing homes well so that they are easy and cost effective to run and our residents remain proud to live in them
- Providing a personalised and accessible customer service to our residents
- Managing a small portfolio of properties. The income derived from this estate is used to fulfil the Charity's main objective which is the provision of Almshouses for older people

Achievements and Performance - Customer Satisfaction:

During the year we carried out a satisfaction survey across our schemes. Our satisfaction rates remain in the upper quartile. Headline results for Orchard Homes include:

Customer Satisfaction Survey Results	
Satisfaction with resident involvement	84.5%
Satisfaction with Housing Services	85%
Satisfaction with facilities provided	87%
Satisfaction with how enquiries were dealt with	87.5%
Satisfaction with repairs and maintenance	91%

91% of our residents would recommend Orchard Homes to a friend or relative.

Void and Arrears:

Orchard Homes finished the year on a positive note with figures above target level.

Void at the 31st March 2018 were 0.4% (2017: 0.1%)

Arrears at 31st March 2018 were 0.38% (2017: 0.6%)

Orchard Homes

REPORT OF THE TRUSTEES – STRATEGIC REPORT
for the year ended 31st March 2018

Priority 1:

We will increase the number of excellent quality homes we provide for older people in Bristol by 100 in the next 3 years.

Work began in 2017 on the Bristol Charities Extra Care Scheme for older people – Haberfield House in Stockwood, south Bristol. The development of the 3-storey building will provide 60 homes for older people, with care available to those who need it. There will be a mixture of 1 and 2 bedroom flats available to rent and a number of flats will also be designed to be fully wheelchair accessible.

The scheme has been developed in partnership with Bristol City Council and the building will provide a range of communal spaces and support facilities for staff and residents. These include a communal lounge, dining area, hobby room and communal gardens. Haberfield House is scheduled to open in November 2018 and applications to the scheme will commence in the summer of 2018.

This year we also reviewed and defined our capacity to achieve our growth ambitions. The Charity remains in a financially strong position and has the capacity to deliver the target of 100 homes over 3 years. Accessing suitable land at the right price, which is then subject to regulation and planning, continues to be a challenge. The Charity is however exploring opportunities to achieve another 40 homes in Bristol, with 3 additional homes on our Barstaple Almshouse site and a further site identified and currently being investigated.



Haberfield House

Orchard Homes

REPORT OF THE TRUSTEES – STRATEGIC REPORT
for the year ended 31st March 2018

Priority 2:

We will develop organisational strength and a robust financial position in order to support more individuals and families.

2017 saw a focus on improving and upgrading systems. A server virtualisation project has been completed. This means the Charity's data is now being 'stored' on the cloud rather than the server which has reduced the organisation's disaster recovery time significantly. IT security has been significantly improved with regular vulnerability scans and tests now being undertaken.

The final stage of procuring a new rent management system is underway, as is the introduction of Sharepoint, a document management and storage system which will allow staff to share and collaborate from anywhere.

Along with many other housing providers, we welcomed the government's decision not to implement benefits caps on supported housing and await the outcome and next steps to the development of a sustainable funding strategy for supported and sheltered housing.

Priority 3:

Increase awareness of Orchard Homes and Bristol Charities and improve perceptions of our work.

Staff and Trustees came together during the year to work on refreshing our mission statement and develop a set of values for the Charity. A mission workshop was held, and a values questionnaire completed by all staff and Trustees which have been used to develop a new mission statement and a set of values. We launched these during the year and the values are currently being used both in recruiting new staff and in annual appraisals for existing staff.

Opportunities to raise the charity's profile externally included press coverage of the Ground Breaking Ceremony and Topping Out Ceremony at our new extra care scheme in Stockwood, South Bristol.



Patron, Chair, Trustees and CEO of Orchard Homes with members of the Engie team at the topping out ceremony at Haberfield House.

Orchard Homes

REPORT OF THE TRUSTEES – STRATEGIC REPORT
for the year ended 31st March 2018

Looking Forward

Strategic Objectives 2018/19:

Our plans and objectives for the year ahead are to:

1. Ensure the charity remains financially resilient:

- Develop a value for money strategy.
- Develop a 5 year financial plan.
- Consider a business development strategy and budget.
- Ensure our investment strategy and portfolio has grown/adapted to meet the requirements of the Charity's strategy.

2. Increase the number of excellent quality homes we provide:

- Haberfield House is delivered and running to capacity.
- Agree funding and complete procurement for additional units at Barstaple.
- Investigate the identified site for the next potential project for the Charity.
- Continue to site search as a contingency to the identified site.

3. Improving the services we provide:

- Complete the review of current facilities management and maintenance services and identify the best service model solution and undertake procurement.
- Review and complete a business case for head office location.
- Develop a comprehensive finance policy and procedures manual and housing management manual.

4. Increase our profile by:

- Maximising publicity around Haberfield House completion and opening.
- Continue to look for opportunities to work with other partners on joint projects and/or merger acquisition opportunities.

Orchard Homes

REPORT OF THE TRUSTEES – STRATEGIC REPORT

for the year ended 31st March 2018

Legal Structure, Governance and Management:

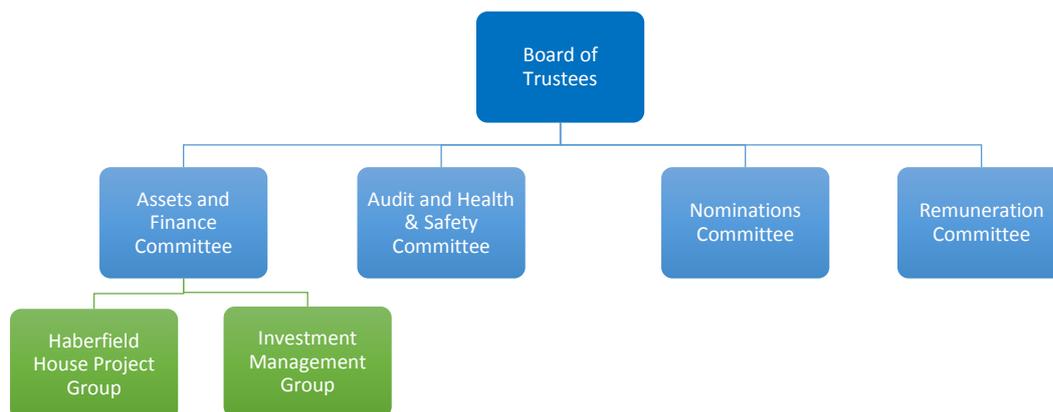
Orchard Homes is both a registered Housing Association (No. A0072) and a registered charity (No. 1109141/17) constituted under a Charity Commission Scheme dated 6th September 1977. The organisation sits within the Bristol Charities Group and shares the governance and management structure of Bristol Charities.

Day to day management of the charity 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.

The address of the principle office of the Charity as well as names of the Charity's Trustees can be found on page 38.

There are 5 standing Committees of the Board. In addition to this is an Investment Management Group as well as the Haberfield House Group (formerly Stockwood Project Group) to oversee the progress of the Charity's main capital project. Both of these groups report back to the Assets & Finance Committee.

The Committee Structure is as follows:



Assets and Finance Committee:

This Committee is responsible for overseeing all aspects of the Charity's investment portfolio including investment policy, setting appropriate benchmarks and maintaining the performance of the 2 Investment Managers. The Committee has overall responsibility for all endowment and operational property and non-property investments and assets. It also reviews the consolidated annual operating and capital project budgets and central management income and expenditure.

Audit and Health & Safety Committee:

This Committee is responsible for the review of the external audit of the financial statements, the requirements for any internal audit projects and the review of risk management. The Audit, Health and Safety Committee recommends to the Board the appointment of the firm which conducts the external audit.

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REPORT OF THE TRUSTEES – STRATEGIC REPORT
for the year ended 31st March 2018

Nominations Committee:

This Committee ensures that the Board of Trustees has the right balance of skills, expertise and experience required to govern the Charity and company. The Committee oversees the recruitment and appointment of new Trustees and presents prospective Trustees for election to the Board of Trustees.

Remuneration Committee:

This Committee considers and makes decisions about staff terms, conditions and pay.

Haberfield House Project Group (formerly Stockwood Project Group):

This Group oversees progress on the project programme, provides advice and issue resolution to the Project Team and gives approval and sign off at key project milestones. The Project Group also monitors cost, budgets and cash flow for the project. The Group meets as and when required.

Investment Management Group:

This group meets biannually to measure the investment performance and review the service provided by the Investment Managers

Recruitment, Induction and Training of Trustees:

Trustee Recruitment:

Candidates are recruited based on the skills and experience and knowledge that will be needed on the Board. The Nominations Committee undertakes an annual skills analysis to identify gaps on the Board. Any recruitment campaigns focus on the specific skills and experience required to fill those gaps. In 2017, 4 Trustees completed their full terms of office (3x3 years) and retired at the end of the year. In total 5 Trustees left in 2017, and the Chair Andrew Hillman stepped down at the AGM in September 2017. During the summer, the Charity ran an internal nominations process at the end of which Richard Gore was appointed to the Chair position.

The Charity has a role description for the Trustee and Chair post and the recruitment pack is updated annually. Applicants have the opportunity to meet the Chair and the Chief Executive before being interviewed by 2 members of the Nominations Committee. Recommendations to appoint are then made by the Nominations Committee to the Board.

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for the year ended 31st March 2018

Training, Induction and Appraisal of Trustees:

New Trustees take part in a structured Induction Programme, attending meetings with key staff and other Trustees, visiting projects and sites and are encouraged to attend all committees to really get an understanding of the work of the Charity.

Trustees are sent information on a regular basis on training courses and briefings. A regular item has been introduced to the Board of Trustees' meeting agenda to provide updates on policy/legislation changes. Trustees who have attended training are encouraged to share knowledge with fellow Trustees.

The Chair of Trustees meets with each Trustee on biennial basis to review their performance and to receive feedback. A summary of those meetings is reported to the Nominations Committee.

Public Benefit:

The objects and aims of Orchard Homes are contained in the Charity Scheme dated 6th September 1977. Its objects are to provide Almshouses for poor persons resident in the City of Bristol.

The Trustees have considered the Charity Commission Guidance on Public Benefit from section 17 of the Charities Act 2011. We believe that the work of Orchard Homes has directly benefitted people by providing excellent, purpose built accommodation through our two Almshouses, each one offering on site support and a safe community setting for older vulnerable people.

The Strategic Report Section (pages 3 to 17) sets out the aims and strategies of the Charity and demonstrates how the aims and activities of the Charity during the year were carried out for the Public Benefit.

Pay Policy for Senior Staff:

The Board of Directors, who are the Bristol Charity's Trustees, along with the Bristol Charities senior management team comprise the key management personnel of the Charity in charge of directing and controlling the charity and running and operating the Charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustee expenses are disclosed in note 14 of the accounts.

The pay of the senior management team is reviewed annually by the Remuneration Committee, for details please see page 398.

Our Staff and Volunteers:

Orchard Homes is committed to providing a working environment where everyone has a chance to develop and contribute. It is through the commitment to our staff that we can meet our objectives. We provide training and career development to all employees.

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REPORT OF THE TRUSTEES – STRATEGIC REPORT
for the year ended 31st March 2018

We assess an individual's career development with an annual appraisal and regular 1:1 meetings and we provide training to meet any ongoing needs with the aim of developing employees for both their current and future roles.

We also recognise the invaluable work that our volunteers do on our behalf and the part they play in contributing to our shared objectives. This year, although the Charity did not receive any formal input from volunteers, a number of older people supported our community projects by giving their time to organise and sit on steering groups and by running and organising activities.

As well as their time, volunteers ensure the vital link between the Charity and the local communities we work in.

Risk Management:

The Board of Trustees assess risk for Orchard Homes alongside the rest of the Bristol Charities Group annually, with additional operational and financial risk assessment through delegation to the relevant committee and to the Audit and Health & Safety Committee.

It oversees its responsibility through its review of the effectiveness of the Charity's Risk Framework. This framework is designed to support informed decision making regarding the risks that affect the Charity's performance and its ability to achieve its objectives.

Management of risk is embedded into our day-to-day activities and well-established processes and policies are in place to manage them. All of our employees have a role in reducing risk through our internal control framework.

Risks are recorded in a risk register and are evaluated in terms of impact and likelihood. The register also provides for a consistent approach to identifying assessing and dealing with the risks facing the Charity to ensure they do not exceed the level of risk the Charity is willing to assume. The register is designed to manage, rather than eliminate, the risks to the Charity's objectives and to provide reasonable, but not absolute mitigation of these risks.

The Audit and Health & Safety Committee biannually reviews the results of the risk reviews undertaken by management and approves an annual risk-based internal audit plan which covers the major risks identified.

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REPORT OF THE TRUSTEES – STRATEGIC REPORT

for the year ended 31st March 2018

Principle Risks and Uncertainties:

Trustees and staff have, during the year, reviewed the principle risks to the Charity. Actions to mitigate these risks have been developed and progress on these actions monitored regularly at both Board and Senior Team level. Trustees are satisfied that these mitigation actions have reduced the following risks to an acceptable level:

Risk:	Management Actions:
The introduction of terms of office for Trustees results in a loss of relevant skills and knowledge	<ul style="list-style-type: none">• Skills gap analysis carried out• Skills matrix in place• Chair position filled• Recruitment campaign for Trustees undertaken
Head office costs continue to be supported by reduced business operations	<ul style="list-style-type: none">• Central office restructure completed• Budgets revised and agreed in September 2017• The handover of Haberfield House due in 2018 has a positive impact on head office costs
The robustness of our I.T systems and infrastructure is improved in order to reduce recovery time and support business continuity	<ul style="list-style-type: none">• Server virtualisation project completed• Reduction of recovery times to meet targets• Sharepoint project improves business continuity across the Charity
Haberfield House is delivered on budget and on time	<ul style="list-style-type: none">• Blockages around asbestos removed• Value engineering exercise undertaken to bring project back to budget and mitigate against the cost of delays• Haberfield House Project Group regularly reviews and monitors budgets and cash flow

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for the year ended 31st March 2018

Value for Money Standard:

In order to comply with the Value for Money Standard 2018 set by the Regulator of Social Housing, the Charity is developing a value for money strategy.

For 2019 we will:

- Complete our Value for Money Strategy outlining our approach to achieving value for money across the organisation
- Develop key metrics to establish performance against targets in order to benchmark against peers.
- Identify several key projects to improve performance and effectiveness.

Looking forward, we will be able to report on progress on our key value for money projects, use our value for money metrics to benchmark, analyse performance and also to agree action to improve any areas of underperformance.

Financial Review:

The surplus for the year was £6,698,678 (2017: £860,034) and was made up of:

	2018	2017
	£	£
Operating surplus	76,655	58,215
Investment income	53,117	88,368
Donations from Dr Owens	14,204	12,491
Donation from Lady Haberfield's Almshouse Charity	1,837,123	-
Other donation	60	-
Professional fees	(21,475)	(3,212)
Bank loan arrangement fees and interest paid	(22,518)	-
Interest receivable	63,325	30,746
Other costs	(374)	-
Surplus on disposal of 2 Furber Properties	-	394,906
Surplus on disposal of Redcross Mews and Perrett House	4,694,549	-
Gain on revaluation of investments	4,012	278,520
Total surplus	6,698,678	860,034

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REPORT OF THE TRUSTEES – STRATEGIC REPORT
for the year ended 31st March 2018

Rental income in the year was £548,634 (2017: £577,188), split by property:

	2018	2017
	£	£
Redcross Mews	-	67
Perrett House	878	23,852
John Fosters	168,779	163,131
Barstaple	318,631	326,946
Almshouse rental income	488,288	513,996
Furber properties	60,346	63,192
Total rental income	548,634	577,188

Redcross Mews and Perrett House were occupied by Guardians who paid a nominal rent in advance of their sale which was completed in May 2017. Barstaple income in 2018 included £0 rental income received from Bristol Charities for the Day Centre (2017: £11,664). The Day Centre was closed early in the year and the loss of rental income explains the decrease in revenue derived from Barstaple in the year. Furber properties generated less income in the year because one house was sold in March 2017.

Redcross Mews and Perrett House were sold in May 2017 for gross proceeds of £6.15m and generated a profit on disposal of £4,694,549.

Operating costs in the year were £481,806 (2017: £547,467). The decrease in costs is due to Redcross Mews and Perrett House being sold in May 2017, with operating costs in 2018 for these two properties totalling £6,721 (2017: £68,316).

In the first half of the year the Lady Haberfield's Almshouse Charity donated its assets and liabilities to Orchard Homes, the total donation amounting to £1,837,13. The assets and liabilities transferred comprised:

	2018
	£
Investments	1,564,421
Cash	687,155
Social housing grants	(310,531)
Other liabilities	(3,922)
	<u>1,837,123</u>

In February 2017, £3.1m of cash was withdrawn from Orchard Homes' share of the Bristol Charities' Common Pooled Investment Fund to provide liquid funds for the Haberfield House Almshouse building project. Investment income received in 2018 of £53,117 (2017: £88,368) was lower than in the previous year because the Lady Haberfield investment addition impact was lower than the higher investment holding for most of 2017 prior to the cash withdrawal of £3.1m.

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REPORT OF THE TRUSTEES – STRATEGIC REPORT

for the year ended 31st March 2018

Haberfield House:

During the year the Charity continued to build Haberfield House, a new 60 units almshouse in Stockwood. The cost of the development is £10.2m with costs to completion at 31 March 2018 estimated as being £5.17m. The funds will be sourced from existing cash resources, a government grant of £1.344m and a bank loan of £3m.

Bank Loan:

During the year, Orchard Homes entered into a £3m loan facility with Handelsbanken to provide funds for the Haberfield House Almshouse building project. The loan is secured by a fixed charge over the John Fosters and Barstaple Almshouses. Handelsbanken charged an arrangement fee of £22,500 for the loan and loan interest is charged on drawdowns at a rate of 2.1% above LIBOR. The Trustees plan to draw down the full £3m bank loan in 2019.

Investment Policy and Performance:

Orchard Homes owns a proportion of the Bristol Charities' Common Pooled Investment Fund. The investment objective for the Bristol Charities' Common Pooled Investment Fund is to achieve a balanced return with a medium level of risk. The Trustees seek to produce the optimum total return, commensurate with at least maintaining the capital value in line with inflation, as defined by the National Statistics.

The Trustees have delegated investment of the Charities' equity investments to Barings and Smith and Williamson. Full information on the performance of Barings and Smith and Williamson is disclosed in the Report of the Trustees within the Bristol Charities' annual accounts.

Ethical Investment Policy:

We encourage and expect our Fund Managers to take social, environmental and ethical considerations into account when assessing the suitability of investments in order to meet the Charity's aims and objectives. The Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Charity's purposes.

Going Concern:

The Trustees regularly prepare forecasts and projections, taking account of reasonably foreseeable changes in income and expenditure. 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.

Orchard Homes

REPORT OF THE TRUSTEES – STRATEGIC REPORT
for the year ended 31st March 2018

Reserves Policy:

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. Total reserves at 31st March 2018 amounted to £21,841,210 (2017: £15,142,532) and included unrestricted reserves of £3,798,877 (2017: £3,465,892).

The Trustee plans to use existing cash reserves to fund the completion of Haberfield House and is investigating possible sites for further almshouse development in Bristol.

Internal Control:

Accounting policies and procedures are determined as far as is practical to provide a good level of financial control over the Charity's income, expenditure, assets and liabilities. All transactions are required to be authorised before payment and all payments require 2 authorisations. All non-standard payments of £10,000 or more require approval by a Trustee before payment. In advance of each year, the Trustees review and approve a budget. Each quarter the Trustees review actual performance of the Charity against budgets and make enquiries to management of significant deviations.

The Audit and Health & Safety Committee meets twice per year to oversee the external audit process, review the annual accounts and to consider recommendations from the Auditors on internal controls and procedures based on the findings in their audit fieldwork.

The Trustees recognise that, with a small head office function, internal controls rely on a small number of key staff but they believe that the controls in place are adequate to safe-guard the Charity's income, expenditure and assets.

The Governance Framework sets out the operational boundaries and defines the activities of the Board, Committees and Management Team. It sets out how actions and decisions should be taken and ensures compliance is effectively assessed. The Charity maintains a strong Health and Safety focus to ensure that as far as practical, safe working arrangements and effective management of key hazards (fire, legionella, electrical and mechanical safety). Regular reports are presented to the Management Team and the Audit and Health & Safety Committee.

Trustees' Responsibilities Statement

The Trustees (who are also directors of Bristol Charities for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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REPORT OF THE TRUSTEES – STRATEGIC REPORT

for the year ended 31st March 2018

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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustee is responsible for preparing the Trustee' Report and the financial statements in accordance with applicable laws and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year. Under charity law the Trustee 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustee is 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 charity will continue in business.

The Trustee is 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 the Charities Act 2011 and Charity Accounting and Reporting regulations 2008. 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.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Milsted Langdon LLP has indicated its willingness to continue in office.

Approved by the Trustees and signed on their behalf by:

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Richard Gore, Solicitor (Chair of Trustees)

Date: 26 September 2018

Orchard Homes

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ORCHARD HOMES
for the year ended 31st March 2018

We have audited the financial statements of Orchard Homes for the year ended 31 March 2018 which comprise the Income and Expenditure Account, Statement of Total Recognised Surplus and Deficit, Balance Sheet, Cash Flow Statement and the related notes 1 to 18. 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 set out in pages 16 and 17, 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 Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2018 and of its incoming resources and application of resources, for the year then ended

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ORCHARD HOMES
for the year ended 31st March 2018

- 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 Report of the Trustees 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.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Jacobs (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Freshford House
Redcliffe Way
Bristol
BS1 6NL
September 2018

Orchard Homes

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31st March 2018

	Note	2018 £	2017 £
Turnover			
Continuing operations	2	558,461	605,682
Operating costs	2	(481,806)	(547,467)
Operating surplus		76,655	58,215
Profit on disposal of fixed assets	4	4,694,549	394,906
Investment income		53,117	88,368
Donations	4	1,851,387	12,491
Interest receivable on short-term deposits		63,325	30,746
Bank loan arrangement fee		(22,500)	-
Bank loan arrangement interest		(18)	-
Professional fees		(21,475)	(3,212)
Sundry costs		(374)	-
Surplus for the financial year		6,694,666	581,514

The notes on pages 25 to 37 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

for the year ended 31st March 2018

	Note	2018 £	2017 £
Surplus for the financial year		6,694,666	581,514
Unrealised surplus on revaluation of investments	7	4,012	278,520
Total recognised surplus for the year		<u>6,698,678</u>	<u>860,034</u>

The notes on pages 25 to 37 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 26 September 2018 and signed on their behalf by:

Richard Gore (Chair of Trustees)

Jonathan O'Shea (Trustee)

Orchard Homes

BALANCE SHEET
as at 31st March 2018

	Note	2018	2017
		£	£
Fixed assets			
Housing properties – depreciated cost	6	13,547,614	11,153,630
Investments	7	2,015,289	154,132
Other fixed assets	8	15,269	20,411
		<u>15,578,172</u>	<u>11,328,173</u>
Current assets			
Debtors due after more than one year	9	615,121	648,056
Debtors due within one year	9	52,861	4,632,481
Cash at bank and in hand		8,588,242	316,922
		<u>9,256,224</u>	<u>5,597,459</u>
Creditors: amounts falling due within one year	10	<u>(825,510)</u>	<u>(252,130)</u>
Net current assets		8,430,714	5,345,329
Creditors: amounts falling due after one year	10	<u>(2,167,676)</u>	<u>(1,530,970)</u>
		<u>21,841,210</u>	<u>15,142,532</u>
Capital and reserves			
Endowment reserves	15	16,205,210	11,676,640
Unrestricted reserves:			
Revenue reserves	15	3,798,877	3,465,892
Lady Haberfield reserves	15	1,837,123	-
		<u>21,841,210</u>	<u>15,142,532</u>

The notes on pages 25 to 37 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 26 September 2018 and signed on their behalf by:

Richard Gore (Chair of Trustees)

Jonathan O'Shea (Trustee)

Orchard Homes

CASH FLOW STATEMENT

for the year ended 31st March 2018

	Note	2018 £	2017 £
Net cash flow from operating activities	(i)	<u>7,186,042</u>	<u>(4,081,289)</u>
Returns on investment and servicing of finance			
Investment income		53,117	88,368
Interest received		63,325	30,746
Cash withdrawn from Investments		-	3,100,000
Bank loan received		250,000	-
		<u>366,442</u>	<u>3,219,114</u>
Capital expenditure and financial investment			
William Jones's Almshouse Charity Loan repayments		32,577	31,591
Acquisition and construction of properties		(3,392,497)	(1,329,691)
Purchase of other fixed assets and investments		(1,821,244)	-
Receipts from disposal of housing properties		6,150,000	407,083
Bank loan repaid		(250,000)	-
		<u>718,836</u>	<u>(891,017)</u>
Change in cash in the reporting period		8,271,320	(1,753,192)
Cash and cash equivalents at the beginning of the reporting period		<u>316,922</u>	<u>2,070,114</u>
Cash and cash equivalents at the end of the reporting period	(ii)	<u><u>8,588,242</u></u>	<u><u>316,922</u></u>

Orchard Homes

CASH FLOW STATEMENT

for the year ended 31st March 2018

Notes to the cash flow statement

(i) Reconciliation of net movement in funds to net cashflow from operating activities

	2018	2017
	£	£
Net movement in funds for the reporting year	6,694,666	581,514
Adjustments for:		
Depreciation charges	140,168	143,576
Amortisation of Social Housing Grant	(9,827)	(28,494)
Profit on disposal of housing properties	(4,694,549)	(394,906)
Investment income	(53,117)	(88,368)
Interest receivable on short-term deposits	(63,325)	(30,746)
Decrease/(Increase) in debtors	4,579,979	(4,418,663)
Increase in creditors	592,047	154,798
Net cash inflow/(outflow) provided by operating activities	<u>7,186,042</u>	<u>(4,081,289)</u>

(ii) Analysis of cash and cash equivalents

	2018	2017
	£	£
Instant access cash investments	-	-
Cash at bank and in hand	8,588,242	316,922
Total cash and cash equivalents	<u>8,588,242</u>	<u>316,922</u>

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

1. Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. 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 Report of the Trustees.

Orchard Homes 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.

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

1. Accounting Policies (continued)

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 the Almshouses where it has a material impact. Depreciation on all capitalised components is on a straight-line basis over the life of the asset as follows:

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

Social Housing Grants

Social Housing grants are paid by the Homes England and are included in creditors and the income is recognised in the Income and Expenditure account over the life of the respective housing property.

Social Housing grants are 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. The investments represent part of the Common Pool Investment Fund held by Bristol Charities. Within the Bristol Charities Common Pool Investment Fund are investment properties which are valued at market value by Alder King LLP, RICS Registered Valuers. Full details of the investments are reported in Bristol Charities annual accounts, notes 17 and 20. Any gain or loss on valuation is taken to the endowment fund and reflected in the Statement of Financial Activities.

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

2. Turnover, Operating Costs and Operating Surplus

----- Housing -----

	Almshouses	The Furber Fund	2018 Total	2017 Total
	£	£	£	£
Turnover	498,115	60,346	558,461	605,682
Operating costs	(453,223)	(28,583)	(481,806)	(547,467)
Operating surplus	44,892	31,763	76,655	58,215
Turnover				
Rents/maintenance charges/fees	435,319	60,346	495,665	526,275
Service charges	54,902	-	54,902	51,572
Rent losses from voids	(1,933)	-	(1,933)	(659)
Social Housing Grant income	9,827	-	9,827	28,494
	498,115	60,346	558,461	605,682
Operating costs				
Routine maintenance	(22,751)	(4,023)	(26,774)	(27,109)
Direct costs	(176,721)	(8,221)	(184,942)	(246,393)
Administrative costs – management	(109,159)	(14,283)	(123,442)	(124,149)
Administrative costs – other	(5,669)	(811)	(6,480)	(6,240)
Depreciation	(138,923)	(1,245)	(140,168)	(143,576)
	(453,223)	(28,583)	(481,806)	(547,467)

3. Staff Numbers and Costs

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

	2018		2017	
	Persons equivalent	Full-time	Persons equivalent	Full-time
	No.	No.	No.	No.
Average monthly number of staff	<u>2</u>	<u>1.4</u>	<u>2</u>	<u>1.4</u>

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

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 2018 were £69,605 (2017: £60,918).

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 17.

4. Surplus for the Financial Year

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

	2018	2017
	£	£
Depreciation of tangible fixed assets	5,142	5,714
Depreciation of housing properties	135,026	137,862
Surplus on disposal of housing properties	(4,694,549)	(394,906)
Donations (see below)	(1,851,387)	(12,491)
Auditor's remuneration:		
Fees in respect of the audit of the Charity's annual accounts	6,480	6,240

The Trusteeship of Lady Haberfield's Almshouse Charity was transferred to Bristol Charities on 28 February 2017. In the current year the assets and liabilities of Lady Haberfield's Almshouse Charity were donated to Orchard Homes.

The surplus on disposal of housing properties is made up as follows:

	Total	Total
	2018	2017
	£	£
Disposal proceeds	(6,150,000)	(411,944)
Carrying value of housing properties	863,487	12,178
Costs incurred in disposal	274,628	4,860
Social housing grant previously amortised	317,336	-
	<u>(4,694,549)</u>	<u>(394,906)</u>
Donations include:		
Donation from Lady Haberfield's Almshouse Charity	(1,837,123)	-
Other donations	(14,264)	(12,491)
	<u>(1,851,387)</u>	<u>(12,491)</u>

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

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			Total
	£	Almshouses £	Housing £	£
Freehold property at cost				
At 1 April 2017	1,941,323	10,054,573	124,543	12,120,439
Additions	3,392,497	-	-	3,392,497
Disposals	-	(1,209,026)	-	(1,209,026)
At 31 March 2018	5,333,820	8,845,547	124,543	14,303,910
Depreciation				
At 1 April 2017	-	945,635	21,174	966,809
Charge in year	-	133,781	1,245	135,026
Disposals	-	(345,539)	-	(345,539)
At 31 March 2018	-	733,877	22,419	756,296
Net book value at 31 March 2018	5,333,820	8,111,670	102,124	13,547,614
Net book value at 31 March 2017	1,941,323	9,108,938	103,369	11,153,630

The almshouse and housing properties comprise:

	Number of Units at 31 March 2018	Number of Units at 31 March 2017
Redcross Mews	-	8
Perrett House	-	31
John Fosters	18	18
Barstaple	31	31
Furber Properties	7	7
	<u>56</u>	<u>95</u>

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

6. Housing Property (continued)

The accommodation at Redcross Mews, Perrett House, John Fosters and Barstaple is classed as housing for older people. The Furber Properties accommodation is classed as general needs housing.

Redcross Mews and Perrett House were sold in May 2017 for gross proceeds of £6.15m and generated a profit on disposal of £4,694,549.

For insurance purposes the combined value of all housing properties, being the Almshouses and the properties in the Furber Fund, was £12,076,701 (2017: £16,177,015).

The value of the land included in housing properties at 31 March 2018 was £1,520,000 (2017: £1,657,833).

7. Investments

	Total 2018 £	Total 2017 £
Market value at 1 April	154,132	2,975,612
Additions	2,065,102	307,427
Disposals market value at 1 April	(134,666)	(513,606)
Investment management charge	(2,615)	(6,696)
Adjustment to market value	(66,664)	491,395
Cash proceeds withdrawn from investments	-	(3,100,100)
	<hr/>	<hr/>
Market value at 31 March	2,015,289	154,132
	<hr/> <hr/>	<hr/> <hr/>
Historical cost	1,729,326	129,065
	<hr/> <hr/>	<hr/> <hr/>
Investments at market value comprised:		
	2018 £	2017 £
Investment properties	186,024	16,150
UK fixed interest bonds	206,397	14,256
Private equity	96,272	3,523
UK quoted equities	308,571	25,410
UK Investment & unit trusts	72,307	7,635
Overseas equities	269,626	21,843
Barings pooled funds	866,533	65,039
Cash	9,558	276
	<hr/>	<hr/>
Market value at 31 March	2,015,289	154,132
	<hr/> <hr/>	<hr/> <hr/>

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

7. Investments (continued)

At 31 March 2018 the Charity held 357,216 units in the Bristol Charities Common Pooled Investment Fund (CPIF) (2017: 27,356). Full details of the CPIF are included in the Bristol Charities financial statements (note 17).

Orchard Homes' share of realised and unrealised gains and losses in the year were:

	2018	2017
	£	£
Realised gains	20,166	99,867
Unrealised (losses)/gains	(16,154)	178,653
Gains on investment assets	<u>4,012</u>	<u>278,520</u>

Included in the Common Pool Investment Fund are investment properties, Orchard Homes' share of these properties had a market value of £186,024 (2017: £16,150). The most recent valuation was carried out by Alder King LLP, RICS Registered Valuers for 31 March 2016. The Trustees have considered the value of investment properties to be included in the accounts and deem that there is no material difference from the last valuation.

8. Other Fixed Assets

	Computer Equipment	Motor Vehicles	Total
	£	£	£
Cost			
At 1 April 2017 and 31 March 2018	34,671	4,717	39,388
Depreciation			
At 1 April 2017	14,943	4,034	18,977
Charge for the year	4,971	171	5,142
At 31 March 2018	<u>19,914</u>	<u>4,205</u>	<u>24,119</u>
Net book value at 31 March 2018	<u>14,757</u>	<u>512</u>	<u>15,269</u>
Net book value at 31 March 2017	<u>19,728</u>	<u>683</u>	<u>20,411</u>

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

9. Debtors

	2018	2017
	£	£
Due after more than one year:		
Investment in William Jones's Almshouse Charity Loan	615,121	648,056
Due within one year:		
Trade debtors	10,526	12,052
Investment in William Jones's Almshouse Charity Loan	33,217	32,859
Amounts due from parent charity, intercompany account balance	-	4,417,488
Amounts due from other group charities, intercompany accounts	122	-
Other debtors and prepayments	8,996	170,082
	<u>52,861</u>	<u>4,632,481</u>
Total Debtors	<u>667,982</u>	<u>5,280,537</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 reflected in these accounts as being issued directly by Orchard Homes 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 £648,338 invested in the loan (2017: £680,915), of which £615,121 (2017: £648,056) was due after more than one year. Interest charged on the loan in the year amounted to £20,530 (2017: £21,543).

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

10. Creditors

	2018	2017
	£	£
Due within one year:		
Deferred income	2,283	3,645
Trade creditors	10,015	15,371
Other creditors	17,617	11,675
Amounts owed to other group companies:		
Bristol Charities	43,487	-
William Jones's Almshouse Charity	-	8,724
Orchard Homes Design and Build Limited	574,980	-
Accruals	167,301	184,221
Social Housing Grants	9,827	28,494
	<u>825,510</u>	<u>252,130</u>
Due after one year:		
Social Housing Grants	1,234,333	1,530,970
Recycled Capital Grant Fund	933,343	-
	<u>2,167,676</u>	<u>1,530,970</u>

Further information on the Social Housing Grants and the Recycled Capital Fund is detailed in notes 11 and 12.

11. Social Housing Grant

	2018	2017
	£	£
At 1 April	1,559,464	1,587,958
Grants transferred from Lady Haberfield's Almshouse Charity	310,530	-
Grants transferred to Recycled Capital Grant Fund	(616,007)	-
Grant amortised to Income in year	(9,827)	(28,494)
	<u>1,244,160</u>	<u>1,559,464</u>

Lady Haberfield's Almshouse Charity donated its assets and liabilities to Orchard Homes in the year. Included in this donation was a recycled social housing grant of £310,530 which Homes England has given permission to be re-invested into the Haberfield House development.

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

12. Recycled Capital Grant Fund

	2018	2017
	£	£
At 1 April	-	-
Grants recycled from disposal of housing properties	616,007	-
Social housing grant previously amortised	317,336	-
	<hr/>	<hr/>
At 31 March	933,343	-
	<hr/> <hr/>	<hr/> <hr/>

Redcross Mews and Perrett House were sold in May 2017 and the total social housing grant attached to these properties amounted to £933,343 (2017; £Nil). Homes England, formerly the Homes and Communities Agency, require social housing grants to either be re-invested into qualifying housing properties within 3 years of disposal, which the Trustees expect to be the case, or to be repaid.

13. Gross Transfer Between Reserves

The following amounts were transferred between reserves during the year:

	Endowment reserves £	Restricted reserves £	Unrestricted reserves £
Transfers during the year ended 31 March 2018	-	-	-
	<hr/>	<hr/>	<hr/>
Transfers during the year ended 31 March 2017	-	(249,805)	(249,805)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Restricted reserve was set aside for repairs and maintenance required for our older almshouses. With all of our oldest almshouses having now been sold, the Trustees decided this reserve was no longer required and so it has been transferred back into Unrestricted reserves.

14. Trustees' Remuneration, Benefits and Expenses

No remuneration or expenses were paid by Orchard Homes to any Trustee during the year, or the prior year.

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

15. Capital and Reserves

	Endowment reserves £	General Unrestricted reserves £	Lady Haberfield Unrestricted reserves £	Total £
At 1 April 2017	11,676,640	3,465,892	-	15,142,532
Surplus for the financial year	4,524,558	332,985	1,837,123	6,694,666
Surplus on revaluation of investments	4,012	-	-	4,012
At 31 March 2018	<u>16,205,210</u>	<u>3,798,877</u>	<u>1,837,123</u>	<u>21,841,210</u>

Endowment reserves are represented by:

	Balance at 1 April 2017 £	Total income £	Total expenditure £	Total gains on investment assets £	Balance at 31 March 2018 £
Endowment reserve	11,676,640	4,704,436	(179,878)	4,012	16,205,210
Total endowment reserves	<u>11,676,640</u>	<u>4,704,436</u>	<u>(179,878)</u>	<u>4,012</u>	<u>16,205,210</u>

Endowment reserves are funds for almshouse tangible fixed assets.

The capital and reserves are represented by:

	Endowment reserves £	General Unrestricted reserves £	Lady Haberfield Unrestricted reserves £	Total £
Housing property	13,547,614	-	-	13,547,614
Investments	2,015,289	-	-	2,015,289
Other fixed assets	-	15,270	-	15,270
Current assets	2,819,811	4,599,290	1,837,123	9,256,224
Current liabilities	(9,827)	(815,683)	-	(825,510)
Creditors falling due after more than one year	(2,167,677)	-	-	(2,167,677)
At 31 March 2018	<u>16,205,210</u>	<u>3,798,877</u>	<u>1,837,123</u>	<u>21,841,210</u>

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

16. Housing Stock

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

	2018	2017
	No.	No.
Housing accommodation for letting	56	56

17. Related Party Transactions

Bristol Charities, the sole Trustee of Orchard Homes, provided the charity with administrative services and charged Orchard Homes £224,873 (2017: £269,252) in respect of the charity's share of the total administrative costs. 2018 management charges are split as follows:

	£
Almshouse costs expensed in the Income & Expenditure Account	123,442
Costs incurred in the proposed sale of housing properties	5,000
Costs incurred in investment management	484
Costs incurred in the development of new almshouses and capitalised in the year	95,947
	<u>224,873</u>

The apportionment of management costs is calculated at the start of the financial year based on the anticipated share of Bristol Charities central management costs and is included in Orchard Homes annual budget.

The amount owed by Orchard Homes to Bristol Charities as at 31 March 2018 was £43,487 (2017: the amount owed to Orchard Homes by Bristol Charities was £4,417,488).

The amount owed to Orchard Homes from William Jones's Almshouse Charity as at 31 March 2018 was £122. (2017: the amount owed by Orchard Homes to William Jones's Almshouse Charity was £8,724.) The loan owed by William Jones's Almshouse Charity to Orchard Homes as at 31 March 2018 was £648,338 (2017: £680,915).

Orchard Homes Design and Build Limited, a subsidiary of Bristol Charities, provided the charity with construction services for the building of the proposed almshouse in Haberfield House and charged Orchard Homes £3,232,013 (2017: £546,195) for these services.

The amount owed by Orchard Homes to Orchard Homes Design and Build Limited as at 31 March 2018 was £574,980 (2017: £ nil).

The three related parties, Bristol Charities, William Jones's Almshouse Charity and Orchard Homes Design and Build Limited are not registered with the Homes England (formerly the Homes and Communities Agency).

Orchard Homes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

18. Defined Benefit Pension Plans

Bristol Charities, the Corporate Trustee of Orchard Homes, participates in two defined benefit pensions Schemes, the Scottish Voluntary Sector Pension Scheme and the Growth Plan Series 3 Plan. Full information on the policy for funding these two plans and the accounting for the contributions payable are disclosed in Bristol Charities annual accounts, notes 12 and 28.

19. 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 31st March 2018

The Trustees of Bristol Charities are:

Richard Gore, B.A. (Joint Hons.), Solicitor (Chair of Trustees)
Andrew Hillman, A.C.A. (Chair of Trustees, resigned 5 February 2018)
Harriet Bosnell
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Tony Harris, M.Sc., F.C.A.
Rachel Howell MA MSc CPsychol AFBPsS
(appointed 26 September 2018)
Dr Ros Kennedy, MB, BS, MRCP, MRCGP, DCH
Dudley Lewis, Solicitor (resigned 5 February 2018)
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Andy Mennell, BA (Hons), MSc, MCIH (appointed 26 September 2018)
Jonathan O'Shea, FCCA, Bsc (Hons)
Olivia Spencer B.A. B.Sc. R.I.B.A (appointed 26 September 2018)
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Melanie Tiley M.Inst.F. (resigned 5 February 2018)
David Watts, J.P., M.A., F.R.I.C.S. (resigned 5 February 2018)
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Patron

Mary Prior MBE

Chief Executive &
Company Secretary

Anne Anketell, B.A. (Hons)

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Registered Office

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Investment Managers

Baring Asset Management Limited
155 Bishopsgate
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Orchard Homes

TRUSTEES, OFFICERS AND ADVISERS

for the year ended 31st March 2018

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Bankers	Handelsbanken 66 Queen Square Bristol BS1 4JP
Legal Advisers	Womble Bond Dickinson LLP 3 Temple Quay Temple Back East Bristol BS1 6DZ
	Veale Wasbrough Vizards LLP Orchard Court Orchard Lane Bristol
Funders	Homes England 2 Rivergate Temple Quay Bristol BS1 6H