

Registered Charity No. 1109141/17
Homes England Registration No. A0072

National Association of Almshouses Membership No. 177

Orchard Homes

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31st March 2021



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Reference and Administrative Details

Trustee	Bristol Charities
Trustees of Bristol Charities	<p>Richard Gore BA (Joint Hons) (<i>Chair of Trustees</i>) Paul Staples FCA, BSc (Hons) (<i>Vice Chair of Trustees</i>) Michelle Meredith Harriet Bosnell BA (Hons) Cantab Jonathan O'Shea FCCA, BSc (Hons) Nolan Webber BA (Hons), Chartered FCSI Rachel Howell MA, MSc, CPsychol, AFBPsS Andy Mennell BA, MSc, CIHCM Olivia Spencer BA, BSc, RIBA Keith Low BSc (Hons) MRICS Patrick Finch MBA, FRICS Elizabeth Carrington-Porter* Cert Mgmt. (Open) Ian Dunn* BA (Hons) *appointed 23 September 2020</p>
Patron	Mary Prior MBE
CEO and Company Secretary	Anne Anketell BA (Hons)
Principal & Registered Office	<p>17 St Augustine's Parade Bristol BS1 4UL</p> <p>Telephone: 0117 930 0301 Email: info@bristolcharities.org.uk Website: www.bristolcharities.org.uk</p>
Property Advisers	<p>Alder King LLP Pembroke House 15 Pembroke Road Bristol BS8 3BA</p>
Investment Managers	<p>Smith & Williamson Investment Management LLP Portwall Place Portwall Lane Bristol BS1 6NA</p> <p>Baring Asset Management Limited 155 Bishopsgate London EC2M 3XY</p>

Reference and Administrative Details *(continued)*

Auditors	Milsted Langdon LLP Freshford House Redcliffe Way Bristol BS1 6NL
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 Narrow Quay House Narrow Quay Bristol BS1 4QA
Funders	Homes England 2 Rivergate Temple Quay Bristol BS1 6EH

Message from the Chair and CEO

At the start of the financial year, none of us could have imagined having to respond to a global pandemic. The impact of the Coronavirus Pandemic has created unprecedented challenges for the whole of society but has been acute for older and vulnerable people and for those living in poverty.

The Charity responded swiftly to the crisis as it unfolded, putting plans in place to be able to continue to run, with most of our office-based colleagues working from home.

During this difficult year, we have continued to provide vital support to our residents, helping some of the most vulnerable members of our community to remain safe in their homes. We are incredibly grateful to our support staff and contractors who continued to provide essential services for our residents.

This year, despite the pandemic, we have made strong progress against our plan to build more accommodation for older people. During the second half of the year we spent time on negotiations around the acquisition of the Vassall Centre site. We are very pleased to announce the completion of this acquisition in May 2021. The Vassall Centre is an ambitious project for the Charity and will require a resilient and innovative approach. This challenge is one that we are more than ready to meet, the Charity remains financially secure despite the pandemic and continues to grow and evolve as it meets today's challenges head on.



RICHARD GORE

Chair of Trustees

ANNE ANKETELL

Chief Executive



Mission Statement & Values

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

Trustee's Report

Our Achievements and Performance

Progress against our Objectives

Goal A - Increase the Number of Excellent Quality Homes We Provide

During the year, we identified an opportunity to acquire a large site in Fishponds in Bristol. The site is just over 3 acres and currently provides office space to a number of voluntary sector organisations as well as conference facilities. For much of 2020, the conference business has been badly affected losing around 90% of its bookings as customers adapted to remote meetings and virtual conferences and training sessions.

Much of the second half of the year has been spent in negotiations with the previous owners in preparation for the purchase of the site, and we were pleased to complete the acquisition in May 2021. Our plans for the site are to take a Placemaking approach, building not just accommodation for older people, but to seek partnerships that will enable us to provide affordable housing for families, and community facilities that might include a nursery, a Café, community health facilities etc.

Developing the Vision and Strategy for the Vassall Centre will be a key piece of work for the Charity in the coming year.

Goal B - Improve the Services We Provide

Asset Management – During 2020, we carried out a procurement exercise for our Facilities Management service. Undertaking this exercise was a key element of our Value for Money Strategy to ensure financial efficiency and choose the best partners to work with the Charity. It also gave us the opportunity to review and refine the service specification and improve our monitoring processes. After a full procurement process, we appointed the incumbent provider Alder King.

Housing Management – The pandemic has had an impact on providing services at our Housing Schemes, whilst our staff and contractors continue to provide direct services to residents, the biggest impact was around lettings activity. Referrals, assessments and viewings had to cease for much of the year in line with Government restrictions impacting negatively on void levels particularly at our Haberfield House Extra Care Scheme.

Performance on arrears, and income collection however has remained strong. We finished the year with 6.9% overall voids of which 6.6% were attributable to Haberfield House. Income Collection was 99.1% and Arrears at 2.5%.

During 2020 we undertook a Customer Satisfaction Survey with our Residents. Our survey showed overall satisfaction with the Charity at 87%. Satisfaction with the quality of homes was 95% and 91% were happy with the services provided by their scheme manager. Satisfaction with repairs and maintenance was 82%.

Goal C - Maintain and Raise the Charity's Profile During the Current Crisis

We undertook a number of specific projects during the year to work on and improve our profile. A total refresh of our website was completed at the end of 2020. The newly developed website now accurately reflects the developments in our work and we feel it better meets the needs of our customers.

To support us on our journey and particularly in developing our newly acquired Vassall Centre project, the Charity has, for the first time, employed the services of a PR and Communications agency. Spirit PR join us as part of our extended team and have been working with us on developing a Communications Strategy. Their input will be invaluable in managing the stakeholder engagement and consultation that will be a crucial part of the placemaking work we plan for the Vassall Centre.

Goal D - Ensure That the Charity Remains Financially Resilient

Orchard Homes finished the year in a strong position. We remain active in countering the effects of the pandemic by adapting our current services to respond to restrictions, careful monitoring and planning around income and improving our use of digital technology.

Looking Forward

At their Strategy planning Day in March 2021, the Trustees agreed a new Five-Year Strategy for the Charity with the following overarching Strategic Goals and Annual objectives.

Our Five Year Strategy for Growth: To realise our vision through responsible growth, delivering on expectations in terms of both quality and costs.

- Develop a placemaking vision and delivery roadmap for the Vassall Centre
- Actively engage and consult with the community and other key stakeholders on the Vassall Centre vision and roadmap
- Explore partnerships and joint ventures that will support delivery of our vision for the Vassall Centre

Our Five Year Strategy for Services: Our Customers need to be at the centre of everything we do. We need to listen to their views on their homes, the services we provide and the future so that we can provide high quality services for them.

- Develop a strategy to work with our residents to help shape our services
- Deliver the improvement action plan for the Vassall Centre properties
- Ensure the new FM contract delivers an efficient and effective maintenance service
- Ensure all property compliance actions are completed within recommended timescales

Our Five year Strategy for People, Process and Technology: We will support and develop a motivated and committed workforce who understand and unite behind our purpose, vision and values and who live the organisational behaviours. Our leadership will be strong, diverse, agile and accountable to ensure that Bristol Charities is able to achieve its objectives. We will embrace digital technology thereby offering greater choice and flexibility and innovation in the way we operate.

- Develop a strategy to work with our residents to help shape our services
- Deliver the improvement action plan for the Vassall Centre properties
- Ensure the new FM contract delivers an efficient and effective maintenance service
- Ensure all property compliance actions are completed within recommended timescales

Our Five Year Strategy for Finance and Governance: To ensure we are financially secure for the future and that we can continue to re-invest in our services, innovation, improvement and in our people. We will ensure that equality, diversity and inclusion is central to all of our strategies and plans.

- Complete an assessment of financial capacity to fund growth
- Maintain a robust approach to financial viability and governance ensuring we meet all finance KPI's

Trustees

Bristol Charities is the sole corporate Trustee of Orchard Homes and therefore the following notes relate to the arrangements of Bristol Charities.

a) Trustee Recruitment

Trustee candidates are recruited based on the skills, experience and knowledge that will be needed on the Board. The Nominations Committee undertakes a regular skills analysis to identify gaps on the Board. Any recruitment campaigns focus on the specific skills and experience required to fill those gaps. Two new Trustees were appointed in 2020.

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

b) 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 Bristol Charities.

Trustees are sent information on a regular basis on training courses and briefings. The CEO report on the Board of Trustees' meeting agenda provides updates on policy/legislation changes. Trustees who have attended training are encouraged to share knowledge with fellow Trustees.

There is a Trustee appraisal policy and procedure in place. The Board of Trustees is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. An evaluation process is carried out every two years. Trustees recognize that effective leadership and good decision making is enabled through a diverse board membership, a culture of listening to and acting on diverse perspectives. The Board's aim is to focus on bringing strength to Bristol Charities by increasing diversity.

Value for Money (VfM)

The Value for Money Strategy is an integral part of how we deliver strategic priorities set out in the Charity's Strategic Plan. Delivering these priorities requires Orchard Homes to have sufficient financial capacity to deliver services, refurbish its housing stock and build new homes. The financial capacity to invest in these requires the Bristol Charities group to ensure that its operations are cost effective and represent Value for Money for its residents.

We measure VfM performance against the following metrics:

Measure	2020-21	2019-20	Analysis
Operating margin (Overall)	12.1%	-3.2%	Improved overall operating surplus due to lower void losses.
Operating margin (Social Housing)	-14.0%	-35.0%	Improved overall operating surplus due to lower void losses.
EBITDA MRI interest cover	1422.2%	113.3%	Higher operating margins combined with £3m bank loan being repaid in Q1 leading to lower interest charges.
Gearing	-23.0%	-21.7%	£3m bank loan repaid, and small operating cash surplus generated in year.
New supply delivered (SH units)	0.0%	3.0%	No new units in year.
New supply delivered (non-SH units)	0.0%	0.0%	No new units in year.
Reinvestment	0.3%	5.0%	Some payments for schemes at practical completion in prior year.
Return on Capital Employed	0.5%	-1.0%	Improved overall operating surplus due to lower void losses.
Headline SH cost per unit	£7,054	£6,762	Increase in staffing costs and inflationary increases on all costs.
Customer satisfaction	87.0%	92.0%	Response rate in 2021 lower than in 2020 and a generally more difficult customer satisfaction environment throughout the Covid-19 pandemic.
Voids	6.9%	20.0%	Haberfield House voids reducing over the year - the second year of operation.
Rent collected	100.9%	100.4%	Consistent year on year and in line with benchmarks and expectations.

Generally, we have been able to improve VfM performance year on year largely by reducing the level of void losses in our housing schemes, principally at Haberfield House, which was in only its second year of operation since opening in April 2019.

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 Trustee has 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 three almshouses, each one offering on site support and a safe community setting for older vulnerable people.

The Trustee report section (pages 6 to 8) 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 Bristol Charities' Trustees, along with Bristol Charities' senior management team comprise the key management personnel of the Bristol Charities group and are in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Bristol Charities Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustee expenses are disclosed in note 13 of the accounts.

The pay of the senior management team is reviewed annually by the Bristol Charities Remuneration Committee.

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 bi-annually 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.

Principal 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 Charity's Income Streams are adversely impacted	<ul style="list-style-type: none"> • Management scrutiny of Voids, Rental Income and Arrears • Lettings activity resumed immediately restrictions are lifted at Haberfield House
Capital required for cyclical maintenance is larger or happens earlier than expected, adversely impacting the working capital availability of the Charity	<ul style="list-style-type: none"> • FM Provider completed a comprehensive cyclical maintenance • Separate Investment Account for sinking fund for cyclical works set up and transfer sums agreed for future years • Cash Flow Forecasts revised with any changes to cyclical maintenance projections and other capital outlay
Next Development fails to make a return on investment impacting on Charity's financial resilience	<ul style="list-style-type: none"> • Detailed due diligence undertaken pre-acquisition of the Vassall Centre • Long term financial modelling completed • Board scrutiny and approval
Major Outbreak of Covid either in a scheme or amongst staff results in serious illness/death and Business Interruption	<ul style="list-style-type: none"> • Risk Assessments undertaken for all buildings and staff • Covid Secure measures in place in all schemes • Cleaning regime in place for communal areas • Home working for office-based staff • PPE for all Housing 21 Care Staff • Vaccination rollout promoted and supported for staff and residents
IT Security of accounts could be compromised by remote working resulting in corruption of business processes and unauthorised access	<ul style="list-style-type: none"> • Annual programme of works in conjunction with our IT support providers. • Achieving and maintaining an industry-recognised cyber security standard.

Financial review

The charity reported turnover in the year of £1,050,996 (2020: £849,066) The reported surplus on the income and expenditure account for the year is £126,907 (2020: deficit of £27,336), including gains on disposal of housing assets of £230,879 (2020: £205,791). Investment gains of £359,037 (2020: losses of £242,058) have resulted in a total recognised surplus for the year of £485,944 (2020: deficit of £269,394).

i) Housing schemes

The first residents moved into Haberfield House at the end of April 2019 and therefore the year under review represents the first full year of Haberfield House contributing to financial performance. Occupancy at Haberfield has increased steadily during the year and at the end of the year, 54 out of 60 units were occupied. This number has increased to a high of 58 after the year end.

Similarly, three new units at Barstaple housing scheme were completed in October 2019 so 2020-21 represents the first full year that these units have contributed to financial performance.

2020-21 represents the second year that a planned preventative maintenance arrangement has been in place with Alder King LLP. This arrangement has been extended for a minimum of three years from 1 April 2021 after a rigorous procurement exercise.

A bank loan facility of £3m was fully drawn down in a prior period to fund the development of Haberfield House. During the reporting period the loan was no longer required and was fully repaid to Handelsbanken on 24 June 2020. Loan interest charged in the year was £16,828 (2020: £87,783) and was calculated at a rate of LIBOR + 2.1%.

During the year one (2020: one) Furber Fund property was sold, realising a gain on disposal of £230,879 (2020: 205,791). The properties sold in the current and prior year were 3 Rossiters Lane and 42 Lavington Road, respectively.

ii) Investments

The charity's investment arrangements are noted within the Income and endowments accounting policy,

The start of the reporting period coincided with the global drop in financial markets caused by the early stages of the Covid-19 pandemic. Markets have picked back up over the reporting period and the charity's investments were at their highest ever value at the year end, and these values have risen further since the year end.

However, recovery on investment yields has been slower and a result of the charity's investment income dropped to £57,394 (2020: 78,038).

The trustee has implemented an ethical investment policy which now ensures that direct investments in companies which generate the majority of their revenues from alcohol, tobacco, pornography or gambling are excluded from charity's holdings, as are direct investments in companies which are known or suspected to treat their employees poorly or with disregard to prevailing law and regulation.

iii) Going concern and reserves policy

The trustee has continued to monitor the effects of the Covid-19 pandemic both during the year and since the year end and has made changes to the charity's operations accordingly.

Under the terms of the charity's Reserves Policy and in forming a view on the charity as a Going Concern, the trustee has noted:

- The charity has a risk management framework which is updated annually. Risks identified are reviewed by the trustee's Audit and Health & Safety Committee every six months.
- The charity has adequate insurance cover in place to mitigate against a potential business interruption event which might cause a loss of housing income
- The other risks to the charity and the protective steps taken to mitigate against them.
- The charity's investment income and capital growth have proven resilient against the Covid-19 pandemic.
- The charity's housing income from residents is secure, voids are closely monitored and housing demand remains high and has done throughout the Covid-19 pandemic.
- The charity holds reserves at a level which is at or exceeds the Reserves Policy (see below).

The trustee has determined that an appropriate level of free reserves is shown as follows;

	£
One month of projected operating costs (i)	43,000
One month of projected Vassall Centre costs (i)	17,000
One year of housing sinking fund contributions (ii)	150,000
	210,000

(i) One month of housing and Vassall Centre costs is deemed appropriate as the nature of these activities means that one month is likely to represent a maximum time period over which they may be required to operate without any additional income.

(ii) This represents the annual contribution required to Orchard Homes' housing sinking funds in order to build up sufficient funds to cover the cost of the likely cyclical maintenance programme over the life of that programme.

Actual free reserves at the year end are shown as follows;

	£
Unrestricted funds total	6,427,019
Less those held in tangible fixed assets	(83,110)
Unrestricted free reserves	6,343,909
Excess funds over reserves policy balance	6,133,909

There is therefore a £6,133,909 (2020: £5,749,747) surplus of free reserves at the year end. The trustee has determined that this is appropriate given;

- The charity's development plans for the coming years
- Remaining economic uncertainty caused by the Covid-19 pandemic
- Internal balance sheet risk such as that arising from the situation where cumulative sinking fund contributions are not sufficient to meet the capital maintenance requirements of the charity at any given time

Disclosure of Information to Auditor

The trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustee confirms that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustee of the charity on 21 September 2021 and signed on their behalf by:

.....
Richard Gore (Chair of Trustees, Bristol Charities)
Date: 21 September 2021

Trustee's Responsibilities Statement

The trustee is responsible for preparing the report of the trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law and registered social housing legislation require 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 charity's SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- 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 the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. 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.

Approved by the trustee and signed on their behalf by:

.....
Richard Gore (Chair of Trustees, Bristol Charities)
Date: 21 September 2021

Independent Auditor's Report to the Trustee of Orchard Homes

Opinion

We have audited the financial statements of Orchard Homes for the year ended 31 March 2021 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 19. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 Direction for private registered providers of social housing in England 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Independent Auditor's Report to the Trustee of Orchard Homes - *continued*

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

We have nothing to report in this regard.

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 Trustee 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of internal control over transactions has not been maintained.

Responsibilities of the trustee

As explained more fully in the Trustee's Responsibilities Statement set out in page 15, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 136 of the Housing and Regeneration Act 2008 and report in accordance with regulations made under section 154 of the Charities Act 2011 and section 137 of the Housing and Regeneration Act 2008. 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.

Independent Auditor's Report to the Trustee of Orchard Homes - *continued*

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the charity operates in and how the charity is complying with the legal and regulatory framework;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the charity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Mrs S R Jenkins (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditor
Freshford House
Redcliffe Way
Bristol BS1 6NL

Date:

Statement of Comprehensive Income

	Note	2021 £	2020 £
Turnover			
Continuing operations	2	1,050,996	849,066
Operating costs	2	(1,198,083)	(1,152,608)
Operating deficit		<u>(147,087)</u>	<u>(303,542)</u>
Profit on disposal of fixed assets	4	230,879	205,791
Investment income		57,394	78,038
Donations		11,359	14,985
Interest receivable on short-term deposits		38,909	91,952
Interest payable on bank loans		(16,828)	(87,783)
Professional fees		(43,333)	(26,289)
Sundry costs		(4,386)	(488)
Surplus/(deficit) for the year		<u>126,907</u>	<u>(27,336)</u>
Investment gains/(losses)	6	359,037	(242,058)
Total comprehensive income for the year		<u>485,944</u>	<u>(269,394)</u>

The notes on pages 23 to 35 form part of these accounts. All of the charity's operations are classed as continuing.

The financial statements of Orchard Homes, charity registration number 1109141/17, were approved by the Trustee and authorised for issue on 21 September 2021 and signed on their behalf by:

Richard Gore
(Chair of Trustees, Bristol Charities)

Jonathan O'Shea
(Trustee, Bristol Charities)

Balance Sheet – Charity Number 1109141/17

	Note	2021 £	2020 £
Fixed assets			
Housing properties – depreciated cost	5	18,452,744	18,769,682
Investments	6	2,182,032	1,822,995
Other fixed assets	7	83,110	94,599
		<u>20,717,886</u>	<u>20,687,276</u>
Current assets			
Debtors due after more than one year	8	507,903	546,923
Debtors due within one year	8	465,581	171,048
Cash at bank and in hand		4,378,198	7,311,114
		<u>5,351,682</u>	<u>8,029,083</u>
Creditors: amounts falling due within one year	9	(333,272)	(3,436,538)
Net current assets		<u>5,018,410</u>	<u>4,592,547</u>
Creditors: amounts falling due after more than one year	9	(3,543,433)	(3,572,904)
Net assets		<u><u>22,192,863</u></u>	<u><u>21,706,919</u></u>
Capital and reserves			
Unrestricted reserves	14	6,427,019	6,156,947
Endowment reserves	14	15,765,844	15,549,972
Total capital and reserves		<u><u>22,192,863</u></u>	<u><u>21,706,919</u></u>

The notes on pages 23 to 35 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 21 September 2021 and signed on their behalf by:

Richard Gore
(Chair of Trustees, Bristol Charities)

Jonathan O'Shea
(Trustee, Bristol Charities)

Cash Flow Statement

	Note	2021 £	2020 £
Net cash flow from operating activities	(i)	106,846	(201,112)
Cash flows from investment activities			
Acquisition and construction of properties		(49,570)	(938,960)
Purchase of other fixed assets		(594)	(5,003)
Receipts from disposal of housing properties		236,694	211,655
Purchase of investments		(186,640)	(149,088)
Disposal and revaluation of investments		(172,397)	391,144
Investment income		57,394	78,038
Interest receivable on short-term deposits		38,909	91,952
		(76,204)	(320,262)
Cash flows from financing activities			
Bank loan repaid		(3,000,000)	-
Social Housing Grant received		-	456,000
William Jones's Almshouse Charity loan repayments		36,442	33,716
		(2,963,558)	489,716
Net change in cash and equivalents during the year		(2,932,916)	(31,658)
Cash and equivalents at the start of the reporting period		7,311,114	7,342,772
Cash and equivalents at the end of the reporting period	(ii)	4,378,198	7,311,114

Notes to the Cash Flow Statement

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

	2021 £	2020 £
Net movement in funds for the reporting year	485,944	(269,394)
Adjustments for;		
Depreciation charges	372,776	360,483
Amortisation of Social Housing Grant	(29,471)	(27,922)
Profit on disposal of housing properties	(230,879)	(205,791)
Investment income	(57,394)	(78,038)
Interest receivable on short-term deposits	(38,909)	(91,952)
Increase in debtors	(291,955)	(21,651)
(Decrease)/increase in creditors	(103,266)	133,153
Net cash flow from operating activities	<u>106,846</u>	<u>(201,112)</u>

(ii) Analysis of cash and equivalents

	2,021 £	2,020 £
Cash at bank and in hand	4,378,198	7,311,114
Total cash and equivalents	<u>4,378,198</u>	<u>7,311,114</u>

Notes to the Financial Statements

1. Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

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.

A summary of the more important accounting policies is set out below.

Key sources of estimation uncertainty

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

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

Income and endowments

Voluntary income including donations, gifts and legacies and grants that provide core funding, or are of general nature, are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Rental income from investment properties is included on an accruals basis.

Investment income from the Common Pooled Investment Fund and other investment income is included on an accruals basis. Income relating to grant endowments is restricted, and income relating to Orchard Homes endowments is unrestricted.

Interest receivable is recognised on an accruals basis.

Other income is recognised on an accruals basis and is recognised when there is entitlement, and the receipt is probable, and the amount can be measured with sufficient reliability.

1. Accounting policies (continued)

Going Concern

The charity's activities and future plans are set out in the Trustee's report. The charity manages its activities with positive unrestricted bank balances. The Trustee's forecasts and projections, taking account of the ongoing impact of Covid-19 and of reasonably foreseeable changes in income and expenditure, show that the charity should be able to continue to operate on this basis.

Based on the above the Trustee has a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. Accordingly, the Trustee continues to adopt the going concern basis in preparing the report of the Trustee and the Financial Statements.

Turnover

Turnover represents rental and service charge income reported 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.

Fund structure

Unrestricted funds comprise those funds that the Trustee is free to use in accordance with the charitable objects of the charity.

Endowment funds represent those assets that must be held permanently by the charity. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as either restricted or unrestricted income, as appropriate. Any capital gains or losses arising on the investments form part of the fund.

Tangible Fixed Assets and Depreciation

Fixed assets are initially recorded at cost.

Depreciation is provided to write off the asset categories as follows:

Furniture and fittings:	3 – 10 years on a straight line basis
Computer equipment:	3 years on a straight line basis
Land:	Not depreciated (see note 5)

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 2018 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:

1. Accounting policies (continued)

Component	Useful Economic Life (Years)
Kitchens, Bathrooms, Heating	20
Roof, Windows & Doors, Lift	20-30
Structure	100
Insurance	12

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.

Grants

Social Housing grants are paid by Homes England and are included within creditors. The grant is amortised to the Income and Expenditure account over 100 years which is the deemed life of the structure of the almshouse 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.

Other grants are recognised when all conditions of entitlement have been met.

Investments

Investments are included at their mid-market value at the balance sheet date. The investments represent part of the Common Pool Investment Fund (CPIF) held by Bristol Charities. Within the CPIF are investment properties which are valued at market value by Alder King LLP, RICS Registered Valuers. Any gain or loss on valuation is taken to the endowment fund and reflected in the Statement of Total Recognised Surplus.

Financial instruments***Classification***

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

1. **Accounting policies (continued)**

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2. Turnover, operating costs and operating surplus/(deficit)

	Housing		2021	2020
	Almshouses	Furber Fund	Total	Total
	£	£	£	£
Turnover	1,005,710	45,286	1,050,996	849,066
Operating costs	(1,176,400)	(21,683)	(1,198,083)	(1,152,608)
Operating deficit/(surplus)	(170,690)	23,603	(147,087)	(303,542)
Turnover				
Rents / maintenance charges / fees	954,474	45,286	999,760	928,646
Service charges	83,427	-	83,427	93,551
Rent losses from voids	(75,097)	-	(75,097)	(202,365)
Sundry income	13,434	-	13,434	1,312
Social Housing Grant income	29,472	-	29,472	27,922
	<u>1,005,710</u>	<u>45,286</u>	<u>1,050,996</u>	<u>849,066</u>
Operating costs				
Routine maintenance	(3,278)	-	(3,278)	(6,117)
Direct costs	(557,647)	(7,781)	(565,428)	(517,976)
Administrative costs - management	(243,817)	(12,784)	(256,601)	(256,767)
Administrative costs - other	-	-	-	(11,265)
Depreciation	(371,658)	(1,118)	(372,776)	(360,483)
	<u>(1,176,400)</u>	<u>(21,683)</u>	<u>(1,198,083)</u>	<u>(1,152,608)</u>

3. Staff numbers and costs

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

	2021	2021	2020	2020
	Headcount	FTE	Headcount	FTE
	No.	No.	No.	No.
Almshouse staff	4.1	3.7	3.3	1.7
Clerical staff	2.7	1.5	0.1	0.0
	<u>6.8</u>	<u>5.2</u>	<u>3.4</u>	<u>1.7</u>

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 2021 were £152,655 (2020: £81,528). Two members of staff were employed via an agency in 2021 and agency costs were £22,012 (2020: £45,354 for one member of staff).

During the year the charity received grants totalling £12,970 from the Coronavirus Job Retention Scheme, covering two furloughed staff members.

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):

	2021 £	2020 £
Depreciation of tangible fixed assets	12,083	11,951
Depreciation of housing properties	360,693	348,532
Surplus on disposal of housing properties	(230,879)	(205,791)
Auditors' remuneration:		
Fees in respect of the audit of the charity's annual accounts	7,200	7,065

5. Housing property

Freehold property	Almshouses £	Housing £	Total £
Cost			
At 1 April 2020	19,913,885	117,251	20,031,136
Additions	49,570	-	49,570
Disposals	-	(7,292)	(7,292)
At 31 March 2021	19,963,455	109,959	20,073,414
Depreciation			
At 1 April 2020	1,238,003	23,451	1,261,454
Charge for the year	359,575	1,118	360,693
Disposals	-	(1,477)	(1,477)
At 31 March 2021	1,597,578	23,092	1,620,670
Net book value at 31 March 2021	18,365,877	86,867	18,452,744
Net book value at 31 March 2020	18,675,882	93,800	18,769,682

The number of almshouses and housing units in management at 31 March was:

	Number of units 2021	Number of units 2021
John Foster's	18	18
Barstaple	34	34
Haberfield House	60	60
Furber Properties	5	6
	117	118

5. Housing property (continued)

During the year one Furber Property became vacant and was subsequently sold.

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

For insurance purposes the combined value of all housing properties, being the Almshouses and the properties in the Furber fund, was £27,188,536 (2020: £27,312,456).

The value of the land included in housing properties at 31 March 2021 and 31 March 2020 was £1,520,000. Land is not depreciated as it is deemed to have indefinite useful economic life.

6. Investments

	2021 £	2020 £
Market value 1 April	1,822,995	2,065,053
Additions	186,640	149,086
Disposals	(128,748)	(170,949)
Investment management charges	(4,449)	(4,908)
Adjustment to market value	305,594	(215,287)
Market value at 31 March	<u>2,182,032</u>	<u>1,822,995</u>
Historical cost	<u>1,732,608</u>	<u>1,710,744</u>

Investments at market value comprise:

	2021 £	2020 £
Investment Properties	229,174	186,024
UK fixed interest bonds	170,714	119,116
Alternatives and Multi-Assets	175,375	193,977
UK quoted equities	332,785	240,762
UK Investment & Unit Trusts	46,636	42,709
Overseas Equities	374,184	265,698
Barings Pooled funds	847,349	737,107
Cash	5,815	37,602
Market value at 31 March	<u>2,182,032</u>	<u>1,822,995</u>

At 31 March 2021 and 31 March 2020 the charity held 357,216 units in the Bristol Charities Common Pooled Investment Fund (CPIF). 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:

	2021 £	2020 £
Realised gains	29,749	12,446
Unrealised gains/(losses)	<u>329,288</u>	<u>(254,404)</u>
	<u>359,037</u>	<u>(242,058)</u>

6. Investments (continued)

Included in the Common Pool Investment Fund are investment properties, Orchard Homes' share of these properties had a market value of £229,174 (2020: £186,024). A valuation was carried out by Alder King LLP, RICS Registered Valuers, for 31 March 2021. As such the Trustee considers the value of investment properties included in the accounts to be a true and fair view of their value as at 31 March 2021.

7. Other fixed assets

	Furniture and fittings £	Computer Equipment £	Total £
Cost			
At 1 April 2020	127,017	3,280	130,297
Additions	-	594	594
At 31 March 2021	127,017	3,874	130,891
Depreciation			
At 1 April 2020	33,504	2,194	35,698
Charge for the year	12,035	48	12,083
At 31 March 2021	45,539	2,242	47,781
Net book value at 31 March 2021	81,478	1,632	83,110
Net book value at 31 March 2020	93,513	1,086	94,599

8. Debtors

	2021 £	2020 £
Due after more than one year:		
Investment in related party loan	507,903	546,923
Due within one year:		
Trade debtors	27,718	33,740
Investment in related party loan	37,487	34,909
Amounts due from parent undertaking	-	29,627
Amounts due from group entity	71,235	695
Capitalised charges paid to parent undertaking	124,828	64,828
Property purchase deposit paid	185,000	-
Other prepayments and debtors	19,313	7,249
	465,581	171,048
Total debtors	973,484	717,971

8. Debtors (continued)

Included in debtors is £124,828 (2020: £64,828) of management charges charged to the charity by the parent undertaking in relation to their support for the charity in securing a new almshouse development site. These charges have been capitalised at the balance sheet date.

Included in debtors is £185,000 for a 10% deposit paid on the purchase of an investment property. The purchase was completed on 7 May 2021.

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 was 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 2012. 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 £545,390 invested in the loan (2020: £581,832), of which £507,093 (2020: £546,923) was due after more than one year. Interest charged on the loan in the year amounted to £15,996 (2020: £20,887).

9. Creditors

	Note	2021 £	2020 £
Due within one year:			
Deferred income		13,261	13,162
Trade creditors		19,001	7,815
Bank loan interest		-	4,216
Other creditors		58,852	45,806
Amounts owed to group entities		24,783	239,567
Amounts owed to parent undertaking		106,199	-
Accruals		81,704	96,500
Social Housing Grants		29,472	29,472
Bank Loan	10	-	3,000,000
		<u>333,272</u>	<u>3,436,538</u>
Due after more than one year:			
Social Housing Grant	11	2,800,101	2,829,572
Recycled Capital Grant Fund	12	743,332	743,332
		<u>3,543,433</u>	<u>3,572,904</u>
Total creditors		<u>3,876,705</u>	<u>7,009,442</u>

9. Creditors (continued)

Deferred income

Deferred income is made up of almshouse property income charged in advance.

	2021	2020
	£	£
Balance at 1 April	13,162	-
Released to incoming resources	(13,162)	-
Amounts deferred in the year	13,261	13,162
Balance at 31 March	13,261	13,162

10. Bank loan

	2021	2020
	£	£
Balance at 1 April	3,000,000	3,000,000
Repaid during the year	(3,000,000)	-
Balance at 31 March	-	3,000,000

A bank loan from Handelsbanken plc was drawn down on 14 March 2019 to provide funding for almshouse development. The loan was secured by a first priority legal charge over the John Foster's and Barstaple Almshouses. The loan was no longer needed during the year and was repaid in full on 24 June 2020.

Loan interest was charged at LIBOR plus 2.1%. Interest charged on the loan in the year was £16,828 (2020: £87,783).

11. Social housing grant

Social Housing Grants balances at 31 March include:

	2021	2020
	£	£
Amounts due in less than one year	29,472	29,472
Amounts due after more than one year	2,800,101	2,829,572
	2,829,573	2,859,044
Movements in the year		
Balance at 1 April	2,859,044	2,576,954
Homes England grant received for Barstaple Almshouse	-	120,000
Grant allocated from Recycled Capital Grant Fund	-	190,011
Grant amortised to income in the year	(29,472)	(27,921)
Balance at 31 March	2,829,573	2,859,044

12. Recycled capital grant fund

	2021 £	2020 £
Balance at 1 April	743,332	933,343
Grant allocated to additional units at Barstaple Almshouse	-	(190,011)
Balance at 31 March	<u>743,332</u>	<u>743,332</u>

Redcross Mews and Perrett House were sold in May 2017 and the total social housing grant attached to these properties amounted to £933,343. £190,011 of these funds were allocated to three new units built at Barstaple Almshouse in the prior year. Homes England (formerly the Homes and Communities Agency) require social housing grants to either be re-invested into qualifying housing properties within three years of disposal, which the Trustee expects to be the case, or to be repaid.

13. Trustee's remuneration, benefits and expenses

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

14. Capital and reserves

	Endowment reserves £	Unrestricted reserves £	Total £
At 1 April 2020	15,549,972	6,156,947	21,706,919
(Deficit)/surplus for the financial year	(143,165)	270,072	126,907
Surplus on revaluation of investments	359,037	-	359,037
At 31 March 2021	<u>15,765,844</u>	<u>6,427,019</u>	<u>22,192,863</u>
Prior year			
At 1 April 2019	16,021,411	5,954,902	21,976,313
(Deficit)/surplus for the financial year	(229,381)	202,045	(27,336)
Surplus on revaluation of investments	(242,058)	-	(242,058)
At 31 March 2020	<u>15,549,972</u>	<u>6,156,947</u>	<u>21,706,919</u>

14. Capital and reserves (continued)

	Endowment reserves £	Unrestricted reserves £	Total £
Housing property	18,452,744	-	18,452,744
Investments	2,182,032	-	2,182,032
Other fixed assets	-	83,110	83,110
Current assets	-	5,351,682	5,351,682
Current liabilities	(50,302)	(282,970)	(333,272)
Creditors due after more than one year	(3,543,433)	-	(3,543,433)
Balances due between funds	(1,275,197)	1,275,197	-
At 31 March 2021	15,765,844	6,427,019	22,192,863

Endowment reserves are funds for almshouse tangible fixed assets. The movement on endowment reserves during the current and prior years was as follows;

	Balance at 1 April 2020 £	Total income £	Total expenditure £	Gains on investments	Balance at 31 March 2021 £
Endowment reserve	15,549,972	29,472	(172,637)	359,037	15,765,844

	Balance at 1 April 2019 £	Total income £	Total expenditure £	Gains on investments	Balance at 31 March 2020 £
Prior year	16,021,411	27,922	(257,303)	(242,058)	15,549,972

15. Non-adjusting events after the reporting period

On 7 May 2021 the Charity completed the purchase of the Vassall Centre in Fishponds, Bristol. A deposit of £185,000 was paid prior to the year end and this is shown in prepayments at the balance sheet date. The Vassall Centre will be held by the Charity as an investment property, with a view to developing the site into a housing operations asset at some point in the future.

16. Related party transactions

Bristol Charities, the sole Trustee of Orchard Homes, provided the charity with administrative services and charged Orchard Homes £301,924 (2020: £312,515) of management charges in respect of the charity's share of the total administrative costs. 2021 management charges are split as follows:

	£
Almshouse costs expensed for the year	238,430
Capitalised costs incurred in identifying a new development site	60,000
Investment management charges	3,494
	<hr/> 301,924

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 to Bristol Charities by Orchard Homes as at 31 March 2021 was £106,199 (2020: £29,627 owed by Bristol Charities to Orchard Homes).

The amount owed to Orchard Homes by William Jones's Almshouse Charity as at 31 March 2021 was £71,235. (2020: £695). The loan balance owed by William Jones's Almshouse Charity to Orchard Homes as at 31 March 2021 was £545,390 (2020: £581,832).

Orchard Homes Design and Build Limited, a subsidiary of Bristol Charities, provided the charity with construction services relating to the Haberfield House development and charged Orchard Homes £49,570 (2020: £426,099) for these services.

The amount owed by Orchard Homes to Orchard Homes Design and Build Limited as at 31 March 2021 was £24,783 (2020: £239,567).

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

17. 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 11 and 24.

18. Other financial commitments

On 1 February 2020 the Bristol Charities group entered into a 15-month contract for Facilities Management Services, ending on 31 March 2021. The contract was re-tendered during the year and a new 36-month contract was entered into with effect from 1 April 2021. Orchard Homes' contractual commitment at 31 March 2021 was £79,200 (2020: £18,169).

19. Ultimate controlling party

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