

Company Number: 2348350
Charity Number: 801122

THE ORCHARD TRUST
(Limited by Guarantee)

FINANCIAL STATEMENTS

For the Year Ended 31 March 2015

**THE ORCHARD TRUST
(Limited by Guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

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**THE ORCHARD TRUST
(Limited by Guarantee)
OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 MARCH 2015**

Trustees	Mr D Norman Mr C Duckett Mr N Budd Mr B Kaye Mrs J Morris Kaye Mrs S Henschley Mr K Careswell Mr R Morgan
Secretary	Mr C Duckett
Chief Executive Officer	Mr G Jones
Registered and Administrative Office	The Orchards Lydbrook Valley Springs Central Lydbrook Lydbrook Gloucestershire GL17 9PP
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT
Solicitors	Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham GL50 1YD
Bankers	Bank of Ireland Castle Street Liverpool L2 9SH
Company Number	2348350 (England and Wales)
Charity Number	801122

**THE ORCHARD TRUST
(Limited by Guarantee)
CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

The year can best be summed up as a year of change for The Orchard Trust. The full year benefits of proper financial controls that were talked about in the previous years' report, took full effect and resulted in a much improved end of year result with a year on year improvement of £102,998. This was largely due to the leadership of Cathy Andrews, the settled nature of the team but also the engagement of the local line managers in ensuring all the Trust monies were spent wisely for the benefit of the service users.

However, looking forward we still have much to do to ensure that we are making efficient use of all monies coming from the public purse, grants and donations. Central and local government cutbacks continue to put pressure on our services and we therefore have a duty to our service users to ensure the long term sustainability of the Trust.

The latest of these pressures came towards the end of the year with government policy dictating that the provision of education monies for the over 25's would cease. This will sadly result in some service users being denied education unless the programmes are funded from private sources. It will also mean a restructuring of the education function resulting in a small number of redundancies.

Further projects are underway looking at the smallholding, swim gym and training to ensure that not only is money used wisely, but that the services are all providing valuable additions to the quality of service users and to the wider community as a whole.

The year also saw a significant improvement in our fundraising year on year of 33%, albeit from a small base. This is an area where parents and volunteers can make a significant difference to the funding of the Trust and I look forward to working with interested parties in developing this area in the coming year.

The year also saw significant management change with the retirement of our long serving Head of Care, Leonie Abbott, in November. Her contribution to the development of the Trust and the establishment of care standards, that would be the envy of other providers, cannot be underestimated. It seems appropriate in this report to formally thank Leonie for her efforts on behalf of the Trust over the years.

It is also pleasing that we have been able to replace Leonie with an internal candidate in Anthony Jeffers who has been running Sevenoaks very successfully for two and a half years and brings unique talents to the role of Head of Support and Operations, which meant that in April this year he was also given responsibility for developing the smallholding.

So a year of change but a year of progress which has been made possible by the incredible team we have within the Trust, all of whom are passionate about delivering services of the highest quality to provide not only care of a high standard, but an increased quality of life to all service users. It is this team that give me the assurance that the Trust will continue to adapt and change providing the services required regardless of the external pressures that they have to deal with.

Nick Budd
**Chairman of Trustees
The Orchard Trust**

Date.....

**THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015**

The Trustees present their report together with the audited financial statements ("accounts") of the company for the year ended 31 March 2015.

Philosophy of The Trust

People with learning disabilities have the same rights as any other individual. They should have access to the use of services and opportunities available to any other member of the community.

An individual's strengths and needs should be identified by fully involving the person concerned and should be regularly reviewed as part of an Individual Programme Plan.

Special needs should be met in a sensitive and appropriate way by co-ordinated and complimentary services that are locally based.

The development of the Trust will be dictated by the above philosophy.

The Aim

The Trust will also provide opportunities for adults with a learning disability to live in homes within the local community. The homes will be staffed by a team of professional carers. The Trust will provide a supportive home environment with varied and productive daytime opportunities. The Trust will promote independence for adults with a learning disability living outside residential care by providing day support, supported living and short break services. Additionally, a community support service to clients and carers within the local community will be provided.

Objectives (Mission)

The Orchard Trust supports the involvement, independence and development of people with learning disabilities.

The Charity, Its Trustees and Advisors

Reference and administrative information is provided in the 'Officers and Advisors' section included with the accounts.

Review of The Year

The principal activities of the Trust in the year were to promote the physical and mental welfare of persons who are suffering from mental or physical disability.

We were honoured to receive a visit from HRH The Countess of Wessex, accompanied by Deputy Lord Lieutenant, Mr Ceri Evans, to celebrate the 25th Anniversary of The Orchard Trust and to officially open Offa's Dyke. We also had a Silver Jubilee Ball for everyone who resides and works at The Orchard Trust.

The Trust also received IIP Gold Award which is a testament to the fact The Orchard Trust is a great place to work.

The Orchard Trust Training successfully secured Skills for Care funding for two innovative projects:

Activity Champions Project, started September 2014:

35 employers involved, with 38 participants from varied care settings. Participants gained a specialist accredited qualification; the project engaged managers, promoting collaboration to create an environment where rewarding activity provision makes every day more life enhancing and meaningful for the people they support. The base for Gloucestershire's Activity Champions' Network, this information/resource/ideas sharing group has over 100 active members, meeting bimonthly.

M.O.R.E. E-learning Project, started September 2015:

18 care settings were involved in producing/piloting five E-learning modules to develop understanding of 'whole organisation' approach to meaningful engagement through activities. These include an awareness module, then a second, role-specific module, showing the value and importance of Moments Of Rewarding Engagement (M.O.R.E.) for service users, and the role that every staff member can play making a difference in someone's quality of life.

**THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015**

We had numerous fundraising events throughout the year to mark our 25th Anniversary. These included a Vintage Tea Party, Barn Dance, and our Silver Jubilee Summer Fayre.

We also set up a Friends of Orchard Trust group who will fundraise on behalf of The Orchard Trust

A detailed commentary on the activities of the Trust and its financial performance during the year can be found in the "Review of Activities", which forms part of this report.

Results

The results for the year are presented on pages 10-24.

Structure, Governance and Management

The Trustees in office in the year were as follows:

Mr N Budd
Mr K Careswell
Mr C Duckett
Mrs S Henchley
Mr B Kaye
Mrs J Kaye
Mr D Norman
Mr R Morgan

The company does not have share capital, being limited by a guarantee of £1 from each of the Trustees. The Trustees act as Directors for company purposes.

The company is governed by its Memorandum and Articles of Association.

The Trustees have given due consideration to Charity Commission published guidance on the operation of the public benefit requirement.

Trustee Appointment and Training

Trustees are appointed by election to the Board. On induction, new Trustees are given a tour of the Trust's sites, meet key employees and are introduced to the other Trustees. Trustees are briefed on their legal obligations under charity and company law as well as the aims and activities of the Trust and its recent financial performance. Trustees are encouraged to attend external training events where these facilitate the undertaking of their role.

The day to day running of the company is undertaken by the Chief Executive. Regular meetings are held with Trustees.

Investment Powers

Under the Memorandum and Articles of Association, the company has the power to make any investment which the Trustees see fit.

Strategic Report

The Trustees are pleased to present below their review of the activities of The Orchard Trust for the year ended 31 March 2015 and to outline their expectations for the financial year 2015/2016.

Review of the accounts

The accounts follow a similar format to those of the preceding year in compliance with the accounting rules under SORP 2005.

The "Statement of Financial Activities" on page 10-11 shows the movements on all funds of the Charity, with the Balance Sheet on page 12. A cash flow statement has again been included in the accounts on page 13. As in previous years, the report contains a Risk Analysis.

**THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015**

Operational changes during the year

The scope and delivery of each of our services is explained as follows:

Upper Stowfield and 1 & 2 The Orchards

The two houses which form Offa's Dyke are Silver Birch House and The Oaks. There is one vacancy at Offa's Dyke.

1 & 2 The Orchards is still undergoing refurbishment and is on track to be fully operational by November 2014. There is one vacancy.

Sevenoaks

Sevenoaks had one vacancy and, as always, is CQC fully compliant. GCC internal contract monitoring reports continue to be excellent.

Hilltop – Short Break Service

Hilltop currently has four residential beds and two short break service beds. Hilltop has been regulated by CQC, Gloucestershire Voices and Gloucestershire Contract Monitoring. All reports were excellent.

Supported Living

The original supported living facility in Lydney has five people living there offering choice and independence.

The additional supported living facility in Lydney has four people living there with one vacancy.

Community Based Respite Service

Re-registration of this service has been approved. It continues to run from Hilltop in Ruardean.

Education/Learning Centre

The facility enjoys high demand. The mutually beneficial relationship with GlosCol remains strong and links have been made with Heart of The Forest Community Special School. There is a café open to the public once a month at our Education facility.

Therapy Room/Swim Gym

The Swim Gym and Rebound facility offer opportunities for therapeutic exercise and recreation for our service users.

Senior Management

Gareth Jones remains in post as C.E.O.

Leonie Abbott left the post as Head of Support in November 2014. Anthony Jeffers has been promoted and is due to take over her role in April 2015.

External Factors

We are still in the process of negotiating with Gloucestershire County Council at the time of writing.

Internal Factors

Communication – Senior Management and Business Development Group, Care Management Team, Student User Group (The Happy Student Group), Service User Group (Trust our Voice), Parent Support Group (Carers & Sharers), Communication Group and Fundraising & Marketing group meet regularly throughout the year.

Staff Pay Award

No uplift from Gloucestershire County Council has been agreed, and due to the financial pressure and the new pensions auto enrolment scheme, no pay award has been afforded to our direct care staff and ancillary staff.

Borrowings

The Trust has borrowed no money during this period.

**THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2015**

Reserve Policy

At the balance sheet date, cash reserves were higher than last year at £519,688. Total reserves increased from £5,115,255 to £5,563,507 mainly as a result of improved performance in the year.

Additional cash reserves are considered by the Trustees to be essential to protect the activities of the Trust during this period of uncertainty. In line with the general guidance provided by the Charity Commissioners, and the position around the lack of an inflationary uplift of care fees, we can maintain unrestricted reserves not committed or invested in tangible fixed assets (Residential Development Fund) at the current level to some £750,000. Our reserves over that sum could be allocated for future development, pending a suitable opportunity. The net asset value of the Trust is sufficient to release substantial funds in the event of a catastrophe.

Risk

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. These procedures are regularly reviewed to ensure they meet the needs of the charity.

Principal identified risks

Cost pressures

Energy costs, fuel, insurance and CQC fees have all increased annually. Staple costs such as food are increasing and will lead to increased wage demands in the future.

Financial Review

The full accounts of the Trust are included on pages 10-24. Whilst there is considerable detail regarding income and costs, the significant feature remains the retained surplus of £448,252 on all funds.

As stated in previous reports, the General Fund surplus is considered essential to improve the financial base of the Trust, to accumulate sufficient resources to allow the Trust to respond quickly to the sudden urgent needs, which continue to manifest themselves throughout the year. There are no borrowings, however as mentioned elsewhere offers have been made to ensure cash availability due to the redevelopment of Offa's Dyke.

Cash balances at the year-end of £519,688 reflected careful management of the Trust's resources.

Disposals

There have been no substantial disposals during the period.

Acquisitions

There have been no acquisitions during this period.

Future Developments

Morelands, Lydney, the supported living accommodation, has one vacancy at present with four places filled. Once filled, we will look to expand next door offering supported living vacancies for up to five people.

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the profit or loss of the charitable company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2015**

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Acknowledgements

We acknowledge support and guidance from Gloucestershire College (GlosCol). Also DE Ford Limited for dealing accordingly with our insurance needs.

Statement of Disclosure to Auditor

In accordance with company law, as the company's directors, the trustees have taken the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information. The trustees confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Fixed Assets

The company re-valued its properties in March 2015. This revaluation, which has been reflected in these financial statements, is based on the open market valuation for existing use of £4,630,000, which is the basis required by UK Financial Reporting Standards. The valuation of the properties at the same date on the assumption that they were fully operational and equipped having regard to trading potential was £4,630,000.

Third Party Indemnity Insurance

The company incurred an annual premium of £487 to DE Ford Limited in relation to Trustee Indemnity Insurance.

Auditors

Hazlewoods LLP were reappointed as auditors in the year and have expressed their willingness to continue in office.

Signed by order of the Board of Trustees

Nick Budd
Chairman of Trustees
The Orchard Trust

Date.....

**THE ORCHARD TRUST
(Limited by Guarantee)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements of The Orchard Trust for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB'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 charitable company'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. 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 charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**THE ORCHARD TRUST
(Limited by Guarantee)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Andrew Brookes (Senior Statutory Auditor)

Date

**For and on behalf of Hazlewoods LLP
Statutory Auditors**

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

THE ORCHARD TRUST
(Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2015

	Note	Unrestricted fund 2015 £	Restricted fund 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income					
Donations and gifts		5,809	40,801	46,610	56,745
Grants receivable	2	264,556	-	264,556	268,556
Investment income					
Interest receivable	3	3,502	-	3,502	9,170
Incoming resources from charitable activities					
Local Authority contracts		2,708,968	-	2,708,968	2,662,967
Other incoming resources					
Training income		74,785	-	74,785	53,094
Rental income		30,828	-	30,828	29,724
Total incoming resources		<u>3,088,448</u>	<u>40,801</u>	<u>3,129,249</u>	<u>3,080,256</u>
RESOURCES EXPENDED					
Charitable activities	4	(2,956,677)	(32,705)	(2,989,382)	(3,033,811)
Governance costs	5	(37,153)	-	(37,153)	(47,281)
Total resources expended		<u>(2,993,830)</u>	<u>(32,705)</u>	<u>(3,026,535)</u>	<u>(3,081,092)</u>
Net incoming resources before other recognised gains and losses	6 + 16	94,618	8,096	102,714	(836)
Other recognised gains and losses					
Unrealised profit on revaluation of tangible assets		345,538	-	345,538	15,326
Net movement in funds		<u><u>440,156</u></u>	<u><u>8,096</u></u>	<u><u>448,252</u></u>	<u><u>14,490</u></u>

THE ORCHARD TRUST
(Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 MARCH 2015

	Note	Unrestricted fund 2015 £	Restricted fund 2015 £	Total funds 2015 £	Total funds 2014 £
Reconciliation of funds					
Funds brought forward at 1 April		5,104,423	10,832	5,115,255	5,116,091
Net movement in funds		440,156	8,096	448,252	(836)
Funds carried forward at 31 March	16	5,544,579	18,928	5,563,507	5,115,255

The notes on pages 15 to 24 form part of these financial statements.

The Statement of Financial Activities has been prepared on the basis that all operations are continuing operations.

Note of Historical Cost Income and Expenditure

	2015 £	2014 £
Reported net movement in funds	102,714	(836)
Difference between historical cost depreciation and the actual depreciation charge of the year calculated on the revalued amount	14,693	15,326
Historical cost net movement in funds	117,488	14,490

THE ORCHARD TRUST
(Limited by Guarantee)
BALANCE SHEET
AS AT 31 MARCH 2015

Company Number: 2348350

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	8		4,922,977		4,626,123
Investments	9		930		930
			<u>4,923,907</u>		<u>4,627,053</u>
Current assets					
Stock	10	1,520		1,520	
Debtors	11	245,679		250,216	
Cash at bank and in hand		519,688		378,453	
			<u>766,887</u>	<u>630,189</u>	
Creditors: amounts falling due within one year	12	(127,287)		(141,987)	
			<u>639,600</u>	<u>488,202</u>	
Net current assets					
			<u>5,563,507</u>	<u>5,115,255</u>	
Total assets less current liabilities			<u><u>5,563,507</u></u>	<u><u>5,115,255</u></u>	
Funds					
Restricted income funds	14,15,16		18,928		10,832
Unrestricted income funds:	15,16				
Operational general fund			3,738,726		3,629,415
Property revaluation reserve			1,055,853		725,008
Designated funds			750,000		750,000
			<u>5,563,507</u>	<u>5,115,255</u>	
			<u><u>5,563,507</u></u>	<u><u>5,115,255</u></u>	

The financial statements were approved by the Board of Trustees on and signed on its behalf by:

Mr C Duckett
Trustee

THE ORCHARD TRUST
(Limited by Guarantee)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

	Note	£	2015 £	£	2014 £
Net cash inflow from activities	1		251,929		124,968
Returns on investment and servicing of finance					
Interest received		3,502		9,170	
Interest paid		-		(3)	
		_____		_____	
Net cash inflow from returns on investments and servicing of finance			3,502		9,167
Capital expenditure					
Payments to acquire tangible assets		(114,546)		(171,959)	
Receipts from sale of tangible assets		350		1,900	
		_____		_____	
Net cash outflow from capital expenditure			(114,196)		(170,059)
Increase/(Decrease) in cash in the year	2		141,235		(35,924)
			=====		=====

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
		£	£
1.	Reconciliation of net incoming resources to net cash inflow from activities		
	Net incoming resources	102,714	(836)
	Interest receivable	(3,502)	(9,170)
	Interest paid	-	3
	Depreciation	161,784	169,480
	Loss/(profit) on disposal of tangible fixed assets	1,096	(666)
	Decrease/(increase) in debtors	4,537	(57,778)
	Decrease/(increase) in creditors	(14,700)	23,935
		<hr/>	<hr/>
	Net cash inflow from activities	251,929	124,968
		<hr/> <hr/>	<hr/> <hr/>
2.	Analysis of net funds		
		1 April	Cash flow
		2014	changes
	Net cash:		31 March
	Cash at bank and in hand	378,453	2015
		<hr/>	<hr/>
		378,453	519,688
		<hr/>	<hr/>
		<hr/> <hr/>	<hr/> <hr/>
		2015	2014
		£	£
3.	Reconciliation of net cash flow to movement in net funds		
	Change in net cash resulting from cash flows	141,235	(35,924)
		<hr/>	<hr/>
	Movement in net cash in the year	141,235	(35,924)
	Opening net cash	378,453	414,377
		<hr/>	<hr/>
	Closing net cash	519,688	378,453
		<hr/> <hr/>	<hr/> <hr/>

**THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, adopting the following principal accounting policies all of which are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and The Companies Act 2006.

Company status

The company is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The company is subject to the requirements of the Companies Act 2006 with regards to the form and content of the financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the accounts at cost or revalued amount less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The annual rates applied in this period were:

Freehold buildings (homes)	2% on written down value
Farm	2% on written down value
Plant and equipment	15% on written down value
Office equipment and furniture	40% on written down value
Motor vehicles	25% on written down value

No depreciation is provided on freehold land. No depreciation is provided on buildings under construction until they are functional.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the Statement of Financial Activities.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

**THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015**

1 ACCOUNTING POLICIES (continued)

Incoming Resources

Incoming resources are allocated between:

Voluntary income (analysed between donations/gifts and grants receivable)

Donations/gifts and grants are accounted for on a receivable basis. Funds collected, to which the charity is entitled, but not received before the end of the financial year are included in incoming resources and in debtors.

Capital grants are recognised through the Statement of Financial Activities as income to restricted funds. A transfer is then made to the General Fund so as to write back the fund over the expected useful life of the relevant asset.

Incoming resources from charitable activities (fees from local authority contracts)

Income derives from the provision of education and residential care and is recognised in the Statement of Financial Activities on a receivable basis. Such income is exempt from Value Added Tax.

Investment income

Interest receivable is accrued on a daily basis.

Other incoming resources

Income arising from the provision of training is recognised on a receivable basis, and included within 'Other incoming resources'.

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any Value Added Tax, which cannot be recovered. Where expenditure is directly attributable to more than one activity, it is apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Funds

Funds held by the charity are either:

- Unrestricted general funds, which can be used in accordance with the charitable objects at the discretion of the Trustees; or
- Unrestricted designated funds, which can be used in accordance with the Charitable objects, in respect of specific projects ear-marked by the Trustees; or
- Restricted funds, which can only be used for particular restricted purposes within the objects of the charity. Restrictions are specified by the donor or when funds are raised for particular restricted purposes. All funds received to date have been applied against capital projects.

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

1 ACCOUNTING POLICIES (continued)

Taxation

The Company is an Exempt Charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 519 of the Income Tax Act 2007 (formerly Section 506(1) of the Taxes Act 1988). Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 524 of the Income Tax Act 2007 (formerly Section 505 of the Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Tax 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

Pensions

The company operates a defined contribution scheme for certain employees. The contributions are charged to revenue in the period in which they are incurred.

2 GRANTS RECEIVABLE

	2015	2014
	£	£
These can be analysed as follows:		
Unrestricted		
Section 32 Grant income	264,556	268,556
	<u> </u>	<u> </u>

3 INTEREST RECEIVABLE

	2015	2014
	£	£
These can be analysed as follows:		
Unrestricted		
Bank interest	3,502	9,170
	<u> </u>	<u> </u>

THE ORCHARD TRUST
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

4 RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Note	2015 £	2014 £
Provision of care and education:			
Staff costs	7	2,080,246	2,057,909
Residents' expenses		122,045	117,872
Transport costs		89,230	93,741
Property costs		141,505	148,666
Equipment maintenance		50,615	55,568
Other costs		13,755	12,728
Depreciation		161,784	169,480
(Profit)/loss on disposal of tangible fixed assets		1,096	(666)
Insurance		33,942	43,840
		2,694,218	2,699,138
Support costs:			
Staff costs	7	248,244	289,343
Property costs		7,448	7,825
Equipment maintenance		2,550	2,925
Insurance		1,786	2,307
Office costs		27,166	27,925
Sundry		5,896	938
Bank charges		2,074	3,407
Bank interest payable		-	3
		295,164	334,673
Total resources expended on charitable activities		2,989,382	3,033,811

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

5 GOVERNANCE COSTS

	2015	2014
	£	£
Legal and professional fees	37,153	47,281

Included within legal and professional fees are audit and accountancy fees of £8,700 (2014: £8,450).

6 NET INCOMING RESOURCES FOR THE YEAR

	2015	2014
	£	£
This is stated after charging:		
Depreciation	161,784	169,480
Loss on disposal of tangible fixed asset	1,096	(666)
Auditors' remuneration	10,440	10,140

Third Party Indemnity insurance costs of £487 (2014: £593) were incurred in the year in relation to Trustee Indemnity Insurance. The maximum indemnity under the policy was £250,000.

7 STAFF COSTS AND NUMBERS

	Note	2015	2014
		£	£
Staff costs:			
Wages and salaries		2,186,721	2,208,518
Social security costs		126,519	135,194
Other pension costs		15,250	3,540
		<u>2,328,490</u>	<u>2,347,252</u>
Analysed:			
Staff costs included in provision of care and education	4	2,080,246	2,057,909
Staff costs included in support costs	4	248,244	289,343
		<u>2,328,490</u>	<u>2,347,252</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

7 STAFF COSTS AND NUMBERS (continued)

No employee earned more than £60,000. The Trustees did not receive any remuneration.

The average number of persons employed by the company (excluding Trustees) during the year, analysed by category, was as follows:

	2015 Number	2014 Number
Management and administration	9	9
Nursing and care staff	162	156
	<u>171</u>	<u>165</u>

8 TANGIBLE FIXED ASSETS

	Residential freehold property £	Farm £	Plant & equipment £	Office equipment & furniture £	Motor vehicles £	Total £
Cost or valuation						
At 1 April 2014	4,535,630	192,780	13,802	463,800	116,499	5,322,511
Additions	16,329	-	-	98,217	-	114,546
Disposals	-	-	-	-	(11,600)	(11,600)
Revaluation	345,538	-	-	-	-	345,538
At 31 March 2015	<u>4,897,497</u>	<u>192,780</u>	<u>13,802</u>	<u>562,017</u>	<u>104,899</u>	<u>5,770,995</u>
Depreciation						
At 1 April 2014	179,780	45,181	10,380	353,737	107,310	696,388
Charge for the year	87,717	2,952	513	68,589	2,013	161,784
Disposals	-	-	-	-	(10,154)	(10,154)
At 31 March 2015	<u>267,497</u>	<u>48,133</u>	<u>10,893</u>	<u>422,326</u>	<u>99,169</u>	<u>848,018</u>
Net book value						
At 31 March 2015	<u>4,630,000</u>	<u>144,647</u>	<u>2,909</u>	<u>139,691</u>	<u>5,730</u>	<u>4,922,977</u>
At 31 March 2014	<u>4,355,850</u>	<u>147,599</u>	<u>3,422</u>	<u>110,063</u>	<u>9,189</u>	<u>4,626,123</u>

Freehold property includes £278,720 (2014: £278,720) in respect of land which has not been depreciated.

The freehold properties of the Trust were valued by Bruton Knowles, Chartered Surveyors, as at 31 March 2015. The open market valuation, for existing use, was £4,630,000.

Depreciation in the year on a historic cost basis would have been £73,024.

On a historical cost basis the cost of the residential property would have been £4,455,363, and aggregate depreciation thereon would have been £824,601.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

9	INVESTMENTS	2015	2014
		£	£
	Listed investments	930	930
		=====	=====
10	STOCK	2015	2014
		£	£
	Livestock and materials	1,520	1,520
		=====	=====
11	DEBTORS	2015	2015
		£	£
	Trade debtors	216,854	213,710
	Other debtors and accrued income	886	13,782
	Prepayments	27,939	22,724
		=====	=====
		245,679	250,216
		=====	=====
12	CREDITORS: Amounts Falling Due Within One Year	2015	2014
		£	£
	Trade creditors	21,413	25,630
	Taxation and social security	27,005	28,719
	Accruals and deferred income	57,781	49,482
	Other creditors	21,088	38,156
		=====	=====
		127,287	141,987
		=====	=====

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

13 COMMITMENTS

At 31 March 2015, the company had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Expiry date:		
Less than one year	115	-
Between two and five years	24,218	24,371
	<u> </u>	<u> </u>

14 RESTRICTED FUNDS

	1 April	Movement in resources		31 March
	2014	Incoming	Transfer	2015
	£	£	£	£
Capital funds:				
Garden improvement	8,106	-	(379)	7,727
HOGS donation	2,327	-	(23)	2,304
Skills for care training	399	35,706	(32,204)	3,901
Parental donation for one to one services	-	5,095	(99)	4,996
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	10,832	40,801	(32,705)	18,928
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Trust also received £35,706 for the purpose of training staff to gain the skills to be able to provide specialist activities for residents with specific disabilities.

The Trust also received £5,095 from service user parents for the purpose of providing one to one services and activities, as an added extra to services provided for all service users.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted funds £	Total £
Fixed assets	4,923,907	-	4,923,907
Current assets	747,959	18,928	766,887
Current liabilities	(127,287)	-	(127,287)
	<hr/>	<hr/>	<hr/>
Balance carried forward at 31 March 2015	5,544,579	18,928	5,563,507
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 MOVEMENTS ON RESERVES

Whilst the Statement of Financial Activities shows the movement on all funds, the position is also illustrated in this note for clarity:

	Operational general fund £	Property revaluation reserve £	Designated fund £	Restricted fund £	Total funds £
Funds brought forward at 1 April 2014	3,629,415	725,008	750,000	10,832	5,115,255
Net incoming resources before transfers	94,618	-	-	8,096	102,714
Revaluation in the year	-	345,538	-	-	345,538
Depreciation on revalued amounts	14,693	(14,693)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Funds carried forward at 31 March 2015	3,738,726	1,055,853	750,000	18,928	5,563,507
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The designated fund relates to a "Residential Care Development Fund" whereby it is the intention of the Trustees to further develop the provision of residential care. The fund is set aside for the actual build cost based on providing 5 further beds. The Trustees are in the process of locating a suitable site for this purpose.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

16 MOVEMENTS ON RESERVES (continued)

Unrestricted funds are analysed as follows:

	Operational general fund £	Property revaluation reserve £	Designated fund £	Total unrestricted funds £
Funds brought forward at 1 April 2014	3,629,415	725,008	750,000	5,104,423
Net incoming resources before transfers	94,618	-	-	94,618
Revaluation in the year	-	345,538	-	345,538
Depreciation on revalued accounts	14,693	(14,693)	-	-
Funds carried forward at 31 March 2015	<u>3,738,726</u>	<u>1,055,853</u>	<u>750,000</u>	<u>5,544,579</u>