

Company Number: 2348350
Charity Number: 801122

THE ORCHARD TRUST
(Limited by Guarantee)

FINANCIAL STATEMENTS

For the Year Ended 31 March 2023

**THE ORCHARD TRUST
(Limited by Guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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**THE ORCHARD TRUST
(Limited by Guarantee)
OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees	Mr N Budd Mr B Kaye Mrs J Morris Kaye Mrs S Henschley Mr R Morgan Mrs R Dodsworth (Resigned 25 November 2022) Mrs C Smart Mrs E Hewison Mr C Lloyd Mrs E C Bell
Chief Executive Officer	Mrs C Andrews
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	Lloyds TSB 19 Eastgate Street Gloucester GL1 1NU
Company Number	2348350 (England and Wales)
Charity Number	801122

**THE ORCHARD TRUST
(Limited by Guarantee)
CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

This year thankfully, Covid had fewer direct effects on the Orchard Trust, but indirect effects have been more noticeable. Recruiting staff in all the Care industry has been incredibly hard, and does not appear to be improving. The Trust is examining its recruiting techniques in order to strengthen them, and retention becomes even more of a priority. Staff wellbeing is still important to the Trustees and the organisation, while risk of burnout remains high as staff continue their battle working with low staff numbers, and the recovery from Covid.

We continue to have good relations with the Local Authorities who refer clients to us. We feel that we offer so much more than just a place to live, and this makes us special. We offer the Stowfield site, with the smallholding and Day Services, including the Hydropool and Rebound facilities. We train our staff on site, which makes it more efficient to keep their learning up to date. We consider it important for all our staff to contribute to the decisions regarding the ethos and values of the Trust and feel that this helps them in their relationships with the people we look after.

The Trust is improving relations with the local community, with more people coming to visit the Smallholding at Stowfield. We are grateful to the companies which have enabled their staff to come and give us their valuable, voluntary time, often resulting in longer friendships and collaboration. We are also building relations with Heart of the Forest Community Special School, as a number of their leavers come to use our Day Centre and sometimes to live.

The Training department has again needed to change the way it keeps our staff learning up to date, as shortages mean that staff cannot be released from their work for longer than absolutely necessary. Some methods of providing training during lockdown have been very successful, and their implementation has continued.

The Summer Fair in 2022 was held at Stowfield, much to everyone's relief, and the fantastic sum of £4134 was raised. Our enormous thanks go to the team who organised it. It is a great Team Building exercise, as everyone does their bit. We were pleased to see so many members of the public coming to join in, and see what we do.


Fundraising was more difficult following the shutdowns required by Covid restrictions, but our thanks must go to the family of Chris Wiltshire for their very generous donation of £200,000. We also again thank our great fundraising team for all the work they do.

After 25 years with Orchard Trust, Rhiannon Hughes, Deputy Manager at Orchards and Offa's Dyke retired. Rhiannon has seen significant changes and growth over her years and the board wishes to thank her for her contribution to the charity over this time.

I sadly have to report the reluctant closure of the Friends of The Orchard Trust, but our grateful thanks go to the members who contributed so much to it.

Two more sad events were the deaths of Jeremy Norman and Steven Walker. They had been with us for a long time, and we miss them greatly.

This is my final year as Chairman. I have enjoyed my time in the chair, even though it started slowly, with Covid and shutdown taking everyone's time and energy. Since then we have been able to introduce some innovations to the way the Board makes its decisions. These include occasional informal meetings, which allow wide ranging discussions and I believe, help Board cohesion. I am very grateful to Nick Budd for agreeing to take over the Chairmanship for a second time, and thank all members of the Board for their time and support during my Chairmanship.


Sue Henschley
Chairman of Trustees
The Orchard Trust

Date: 7/11/2023

**THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees present their report together with the audited financial statements (“accounts”) of the company for the year ended 31 March 2023.

PURPOSE AND IMPACT

The Orchard Trust (referred to as the Trust from now on) was established in 1989 by a group of parents who were looking to improve care options for their children and others with learning disabilities. Having grown over the past 30 years the Trust provides residential care, supported living homes, short break (respite) beds, rebound therapy, hydrotherapy and day services based on a working smallholding which is open to all who may wish to benefit from the services.

To see more about our homes and facilities please visit our website: www.orchard-trust.org.uk

Philosophy of the Orchard Trust

Orchard Trust believes people with disabilities have the same rights as any other individual and support each to enjoy the services and opportunities available to any other member of the community.

Values

Kindness - We treat others and ourselves with gentleness, warmth and care, focusing on the little things that really matter.

Respect - We look after ourselves, each other, our places and the environment.

Individuality - We recognise one another for the people we are, understanding and accepting preferences and beliefs to ensure personalised care and support.

Working together - We believe the best results are gained through working as a team, valuing suggestions and encouraging new ideas as we strive to continuously improve the care we provide.

The Trust’s values reflect the intrinsic behaviours of staff within the organisation and daily decisions are enhanced by the ongoing focus provided by the values.

Objectives (Mission)

We are a consistent and long-term place for life for people with disabilities, with a warm and friendly environment where each individual is supported to realise their ambitions.

Activities

Our mission is achieved by working towards the following aims:

1. Consistently look for innovation and fresh ideas to improve the care we provide
2. Ensuring each staff member has the skills and attributes of our values through effective recruitment, ongoing support, development and shared vision.
3. Building financial resilience through diversification of income, internal efficiencies and the provision of added value through alternative funding
4. Expanding the reach of our day services site to benefit the wider community

**THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

Achievements and Performance

The key achievements of the Trust against its activities and thus its objectives during the 2022/23 financial year are as follows:

- Staff and management worked incredibly hard and very long hours to ensure clients and each other were well supported through the ongoing pandemic and staff shortages.
- The creation of wellbeing and menopause champions within each service has further supported staff, and additional Mental Health First Aid training has been undertaken by managers and deputies.
- Implementation of Care Control, a paperless care planning system and medical administration record (eMAR), across the majority of services, saving staff and management significant time and improving auditing processes. However the restrictions of rural internet access have created some challenges around this.
- Gigaclear has installed the fibre network to the junction boxes outside Sevenoaks, Orchards and Offa's Dyke and we keenly await a 'switch on' date.
- Plans have been drawn up to create an extension to Sevenoaks, eliminating the need for clients to use a staircase and enabling the home to support clients who use wheelchairs.
- Grants and fundraising have continued to support the development of the Trust through the purchase of 2 additional table ipads for clients to use, a wildlife pond and the changing place wetroom available to users and visitors to the site.
- The Trust was granted funding for a trial extending the opening hours of the hydro pool into the evenings and weekends which ran from January to March 2023. Following this the opening hours were permanently extended to 6pm on weekdays providing a further 5 hours therapy per week.
- The decision was made to close the night respite facility running at Hilltop and convert the bed into a full time residential bed as the numbers of respite clients receiving funding for these stays had significantly diminished following the pandemic.
- The Trust has started to examine how its activities might have a negative impact on the environment by appointing Environment Champions from each service. Through working together we aim to assess impact and, where possible, make changes that will protect the environment we occupy.
- The Trust also wishes to thank Gloucestershire County Council for their ongoing support.

VALUES AND WAYS OF WORKING

The Trust is deeply committed to providing high quality and positive-risk based care. To support sharing of learning and best practice the Trust has many internal committees to provide effective two-way feedback between all services and management. These include:

- Client Group (Trust our Voice)
- Parent Support Group (Carers & Sharers)
- Staff Communication Group (Comms)
- Health & Safety Staff Reps - with Trustee representation
- Action Based Management (ABM)
- Trustee buddy scheme across all services in the Trust
- Trustee Sub-Committees - Finance, Investment, Remuneration, Safeguarding
- Environmental Champions
- Wellbeing Champions
- Menopause Champions

**THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

Ensuring our work delivers our mission

The Trust ensures all actions contribute to achieving its mission through regular monitoring of performance by CQC and local authority monitoring visits, external expert by experience quality visits, family and staff questionnaires, Trustee buddy visits, senior manager audits and peer visits along with an internal 'mum' test. The board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when determining how our current and future activities meet the Trust's objectives.

Staff Pay Award

Fee uplifts, effective from mid April 2022, received from Local Authorities and Clinical Commissioning Groups did not cover the full impact of the increase in National Living Wage the Trust chose to invest in its staff teams by providing all staff a pay increase along with increasing the differential between care worker and team leader, reflecting the increased responsibilities required of the leader role. A pay progression route allows opportunity for salary increases through qualifications and length of service and support the Trusts aim to ensure each staff member has the skills and attributes of our values through effective recruitment, ongoing support, and training and shared vision. The Trust is delighted to continue to pay all staff above the National Living Wage reflecting the importance of the tasks they are doing and the gratitude the Trust has for their commitment and continuous hard work.

OPERATING MODEL AND RISKS

Risk

Internal risks are minimised by the regular review of the organisational risk register, comprehensive policies and procedures for all staff to follow along with appropriate training for each role. Financial risks are managed by the above along with 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

- Service delivery – internal and external quality controls minimise risks in this area with internal quality control process reviewed and updated to reflect the regularly changing best practice guidelines provided by authorities within the care sector.
- Recruitment – The challenge of recruiting new staff with the values and attributes required by the Trust to support clients is increasingly difficult, however these standards are vital to the wellbeing of individuals so new methods of advertising and recruiting are continually explored.
- Changes to Local Authority funding and/or commissioning models – Trust staff work closely with partners in local authorities to ensure client packages reflect true costs of care and individual need. Senior staff are active within local authority market shaping workshops and Cathy Andrews sits on the board of the Gloucestershire Care Providers Association.
- Regional and National policy changes - Cathy Andrews sits on the ADASS South West Stakeholder Forum and the South West Regional Stakeholder Network for the Disability Unit in Cabinet Office both feed information into and influence change at regional, national and governmental levels. Alongside this Cathy's position on the Skills for Care Workforce Board supports the development of training and conditions for today's and future social care workers.
- To ensure the Trust is up to date with current and future changes to the financial landscape Kelly Ryder sits as a Trustee for the Charity Finance Group and she and Tony Lafford, Orchards Registered Manager, are members of the Association for RealChange (ARC)
- Regulatory and Legislative changes - The Trust seeks to remain up to date with all changes through subscription to CQC, Skills for Care, HSE and other email updates along with face to face and social media peer networking. We consider and respond to the continued development of legislation and changes regulations through discussion and regular reviewing of internal procedures.

**THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

Reserve Policy

The majority of the Trust's income is received through local authority contracts for the specific care of an individual. Any surplus is used to ensure the Trust's on-going sustainability and to improve the care environment.

All charities are required to consider the level of reserves they need to hold to cover both development opportunities and as resilience against unforeseen events. Additional cash reserves are considered by the Trustees to be essential to protect the activities of the Trust. In line with the general guidance provided by the Charity Commissioners and an understanding of the organisational risks, the Trustees calculate the unrestricted reserves held to be a minimum of six months expenditure with the aim to increase this to the 12-month figure. These amounts have increased from previous years following consideration of future Local Authority funding challenges and further uncertainties during the ongoing pandemic and increasing costs.

Currently, the maintained unrestricted reserves not committed or invested in tangible fixed assets (Residential Development Fund) is at £900,000. Any 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.

GOVERNANCE AND DECISION MAKING

Orchard Trust

The Trustees in office in the year are detailed on page 1 of this report along with the names and addresses of relevant organisations providing banking services or professional advice to the Charity and its subsidiary.

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.

At the year end the Board of Trustees comprised 9 Trustees, who are also Directors of The Orchard Trust for the purposes of company law. Operational responsibility lies with the Trust's Senior Management team of Cathy Andrews, C.E.O.; Anthony Jeffers, Head of Support & Operations; and Kelly Ryder, Finance Manager.

The Trust holds six full board meetings per year, plus a minimum of three finance committee meetings, two investment committee meetings and three safeguarding committee meetings. Trustees also have representation on the health and safety committee and each service has a Trustee buddy who regularly visits the service to learn more about that service's specific challenges and thus bring greater knowledge to the board room.

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 ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Review of the accounts

The accounts follow a similar format to those of the preceding year in compliance with the accounting rules under SORP 2015.

The "Statement of Financial Activities" on page 12-13 shows the movements on all funds of the Trust, with the Balance Sheet on page 14. A Cash Flow Statement has again been included in the accounts on page 16. As in previous years, the report contains a Risk Analysis.

Borrowings

The Trust has borrowed no money during this period.

At the balance sheet date, cash reserves were higher than last year at £1,563,427 (2022 - £1,681,824). Total reserves increased from £6,391,667 to £6,471,118 (2022 - £6,054,574 to £6,391,667).

Investment Powers

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

Financial Review

The full accounts of the Trust are included on pages 12-26. Cash balances at the year-end of £1,563,427 (2022 - £1,681,824) reflected careful management of the Trusts resources during financially challenging times.

Acquisitions and Disposals

There have been no substantial acquisitions or disposals during the period.

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.

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 HR support and guidance from HELP HR, PIB Insurance Brokers for dealing accordingly with our HR and insurance needs and RWKGoodman for assisting with our legal queries.

THE ORCHARD TRUST
(Limited by Guarantee)
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2023

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 £1,589 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



Mr Chris Lloyd
Treasurer - The Orchard Trust

Date: 7/11/2023

**THE ORCHARD TRUST
(Limited by Guarantee)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

Opinion

We have audited the financial statements of The Orchard Trust for the year ended 31 March 2023, which comprise the Charity Statement of Financial Activities, the Charity Balance Sheet, the Charity Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2023 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.

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are 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.

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.

THE ORCHARD TRUST
(Limited by Guarantee)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

Responsibilities of trustees

As explained more fully in the trustee's responsibilities statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

**THE ORCHARD TRUST
(Limited by Guarantee)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

Extent to which the auditor was considered capable of detecting irregularities, including fraud

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planning and performed in accordance with the ISA's (UK).

In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company financial statements or that had a fundamental effect on the charitable company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and Charities Act 2011.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how management considered and addressed the potential for override of controls. Detailed analysis of journals posted through the accounting system during the year to 31 March 2023 has been undertaken;
 - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud and they appeared to be working effectively.
 - Challenging assumptions and judgements made by management in its significant accounting estimates.

Martin Howard

.....
Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

8/11/2023

Date:.....

THE ORCHARD TRUST
(Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME AND ENDOWMENTS					
Income and endowments from:					
Donations and legacies					
Donations and gifts		254,620	114,144	368,764	92,542
Investments					
Bank interest receivable		6,132	-	6,132	319
Charitable activities					
Local Authority contracts		4,369,875	-	4,369,875	4,118,192
Other					
Training income		49,777	-	49,777	36,925
Rental income		33,150	-	33,150	37,150
Other income		168	-	168	-
Government grants		-	6,747	6,747	234,211
Total income and endowments		<u>4,713,722</u>	<u>120,891</u>	<u>4,834,613</u>	<u>4,519,339</u>
EXPENDITURE ON					
Charitable activities	2	(4,729,302)	(25,860)	(4,755,162)	(4,182,246)
Total expenditure		<u>(4,729,302)</u>	<u>(25,860)</u>	<u>(4,755,162)</u>	<u>(4,182,246)</u>
Net income/(loss) for the year	14	<u>(15,580)</u>	<u>95,031</u>	<u>79,451</u>	<u>337,093</u>

THE ORCHARD TRUST
(Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted fund 2023 £	Restricted fund 2023 £	Total funds 2023 £	Total funds 2022 £
Reconciliation of funds					
Funds brought forward at 1 April		6,380,649	11,018	6,391,667	6,054,574
Transfer between reserves		64,827	(64,827)	-	-
Net movement in funds		(15,580)	95,031	79,451	337,093
Funds carried forward at 31 March	14	6,429,896	41,222	6,471,118	6,391,667

The notes on pages 17 to 27 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

	2023 £	2022 £
Reported net movement in funds	87,861	337,093
Difference between historical cost depreciation and the actual depreciation charge of the year calculated on the revalued amount	17,174	14,628
Historical cost net movement in funds	105,035	351,721


THE ORCHARD TRUST
(Limited by Guarantee)
BALANCE SHEET
AS AT 31 MARCH 2023

Company Number: 2348350

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	6		4,792,651		4,727,923
Investments	7		930		930
			<u>4,793,581</u>		<u>4,728,853</u>
Current assets					
Stock	8	1,440		1,440	
Debtors	9	455,492		227,300	
Cash at bank and in hand		1,563,427		1,681,824	
			<u>2,020,359</u>	<u>1,910,564</u>	
Creditors: Amounts falling due within one year	10	(342,822)		(247,750)	
			<u>1,677,537</u>	<u>1,662,814</u>	
Net current assets			<u>1,677,537</u>	<u>1,662,814</u>	
Total assets less current liabilities			<u>6,471,118</u>	<u>6,391,667</u>	
Funds					
Restricted income funds	12,13,14		41,222		11,018
Unrestricted income funds:	13,14				
Operational general fund			4,582,797		4,516,376
Property revaluation reserve			947,099		964,273
Designated funds			900,000		900,000
			<u>6,471,118</u>		<u>6,391,667</u>

7/11/2023

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



Mr Chris Lloyd
Treasurer
The Orchard Trust

THE ORCHARD TRUST
(Limited by Guarantee)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Operational general fund £	Property revaluation reserve £	Designated fund £	Restricted fund £	Total funds £
Funds brought forward at 1 April 2022	4,516,376	964,273	900,000	11,018	6,391,667
Net incoming resources before transfers	(15,580)	-	-	95,031	79,451
Depreciation on revalued Amounts	17,174	(17,174)	-	-	-
Transfer between reserves	64,827	-	-	(64,827)	-
Funds carried forward at 31 March 2023	<u>4,582,797</u>	<u>947,099</u>	<u>900,000</u>	<u>41,222</u>	<u>6,471,118</u>
	Operational general fund £	Property revaluation reserve £	Designated fund £	Restricted fund £	Restated Total funds £
Funds brought forward at 1 April 2021	4,142,028	978,901	900,000	33,645	6,054,574
Net incoming resources before transfers	266,930	-	-	70,163	337,093
Depreciation on revalued Amounts	14,628	(14,628)	-	-	-
Transfer between reserves	92,790	-	-	(92,790)	-
Funds carried forward at 31 March 2022	<u>4,516,376</u>	<u>964,273</u>	<u>900,000</u>	<u>11,018</u>	<u>6,391,667</u>

THE ORCHARD TRUST
(Limited by Guarantee)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	£	2023 £	£	2022 £
Cash generated from in operating activities	15		112,881		598,068
Cash flows from investing activities					
Interest income		6,132		319	
Purchase of tangible fixed assets		(238,610)		(203,883)	
Proceeds from sale of tangible assets		<u>1,200</u>		<u>1,500</u>	
Cash provided by (used in) investing activities			(231,278)		(202,064)
Increase in cash and cash equivalents in the year			<u>(118,397)</u>		<u>396,004</u>
Cash and cash equivalents at the beginning of the year			1,681,824		1,285,820
Total cash and cash equivalents at the end of the year			<u>1,563,427</u>		<u>1,681,824</u>

The charitable company does not have any debt and therefore an analysis of the debt has not been included in these financial statements.

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements are presented in Pounds Sterling.

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.

The company is incorporated and domiciled in England and Wales.

The address of its registered office is:

The Orchards
 Lydbrook Valley Springs
 Central Lydbrook
 Lydbrook
 Gloucestershire
 GL17 9PP

Judgements and estimation uncertainty

The trustees consider that there are no key areas of judgement or estimation uncertainty to be disclosed in these 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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk

**THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 ACCOUNTING POLICIES (continued)

Trade receivables

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of the cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Trust does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Income and endowments

Income and endowments are allocated between:

Donations and legacies (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 income and endowments 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.

Income 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.

Income from Investments

Interest receivable is accrued on a daily basis.

Other income

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

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (continued)

Expenditure on Charitable activities

Expenditure on Charitable activities is 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.

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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses of tax credits. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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.

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2 EXPENDITURE ON CHARITABLE ACTIVITIES

	Note	2023 £	2022 £
Provision of care and education:			
Staff costs	4	3,396,365	3,102,229
Residents' expenses		199,070	180,002
Transport costs		50,121	46,571
Property costs		278,461	120,283
Equipment maintenance		84,860	71,507
Other costs		39,960	35,572
Depreciation		173,810	145,346
Insurance		59,649	47,078
COVID costs (ICG)		4,260	-
		<u>4,286,556</u>	<u>3,748,588</u>
Support costs:			
Staff costs	4	337,886	318,765
Property costs		14,656	6,331
Equipment maintenance		4,466	3,764
Insurance		3,139	2,478
Office costs		37,661	42,860
Sundry		4,296	138
Legal and professional fees		60,786	52,866
Bank charges		2,914	1,804
Bad debt expense		3,930	6,034
(Profit)/Loss on disposal of tangible fixed assets		(1,128)	(1,382)
		<u>468,606</u>	<u>433,658</u>
Total expenditure on charitable activities		<u><u>4,755,162</u></u>	<u><u>4,182,246</u></u>

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3 NET INCOME FOR THE YEAR

	2023	2022
	£	£
This is stated after charging:		
Depreciation	173,810	145,346
Auditors' remuneration	9,875	9,300
	<u> </u>	<u> </u>

Third Party Indemnity insurance costs of £1,589 (2022 - £1,382) were incurred in the year in relation to Trustee Indemnity Insurance. The maximum indemnity under the policy was £2,000,000 (2022 - £2,000,000).

4 STAFF COSTS AND NUMBERS

	Note	2023	2022
		£	£
Staff costs:			
Wages and salaries		3,428,936	3,153,633
Social security costs		235,945	204,919
Other pension costs		69,370	62,442
		<u> </u>	<u> </u>
		3,734,251	3,420,994
		<u> </u>	<u> </u>
Analysed:			
Staff costs included in provision of care and education	2	3,396,365	3,102,229
Staff costs included in support costs	2	337,886	318,765
		<u> </u>	<u> </u>
		3,734,251	3,420,994
		<u> </u>	<u> </u>
Emoluments to Executive officer		<u>72,913</u>	<u>70,238</u>

The above represents the emoluments of the highest paid officer. No other employee earned more than £60,000. The trustees did not receive any remuneration.

	2023	2022
	Number	Number
Management and administration	12	11
Nursing and care staff	191	182
	<u> </u>	<u> </u>
	203	193
	<u> </u>	<u> </u>

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5 TAXATION

As The Orchard Trust is an exempt charity, it is exempt from taxation in respect of income or capital gains received.

6 TANGIBLE FIXED ASSETS

	Residential freehold property £	Farm £	Plant & equipment £	Office equipment & furniture £	Motor vehicles £	Total £
Cost						
At 1 April 2022	5,292,699	192,780	18,873	293,723	156,078	5,954,153
Additions	25,000	-	4,310	189,605	19,695	238,610
Disposals	-	-	-	-	(11,450)	(11,450)
At 31 March 2023	5,317,699	192,780	23,183	483,328	164,323	6,181,313
Depreciation						
At 1 April 2022	859,116	67,263	14,421	193,014	92,416	1,226,230
Charge for the year	83,392	2,511	1,210	68,338	18,359	173,810
Eliminated on disposal	-	-	-	-	(11,378)	(11,378)
At 31 March 2023	942,508	69,774	15,631	261,352	99,397	1,388,662
Net book value						
At 31 March 2023	4,375,191	123,006	7,552	221,976	64,926	4,792,651
At 31 March 2022	4,433,583	125,517	4,452	100,709	63,662	4,727,923

Freehold property includes £278,720 (2022 - £278,720) in respect of land which has not been depreciated.

Comparable historical cost of the freehold property is £4,635,000 (2022 - £4,635,000). The accumulated depreciation on the historical cost is £1,390,310 (2022 - £1,324,092).

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7 INVESTMENTS

	Subsidiary undertakings £	Listed investments £	Total 2023 £
Cost			
At 1 April 2022 and 31 March 2023	10,908	930	11,838
Amortisation			
Impairment brought forward and at 31 March 2023	10,908	-	10,908
Net book value			
31 March 2023	-	930	930
31 March 2022	-	930	930

8 STOCK

	2023 £	2022 £
Livestock and materials	1,440	1,440

9 DEBTORS

	2023 £	2022 £
Trade debtors	356,787	140,230
Other debtors and accrued income	47,104	36,112
Prepayments	51,601	50,958
	455,492	227,300

10 CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	162,336	55,874
Taxation and social security	44,323	60,858
Accruals and deferred income	96,014	86,210
Other creditors	40,149	44,808
	342,822	247,750

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11 COMMITMENTS

At 31 March, the total of future minimum lease payments is as follows:

	2023	2022
	£	£
Expiry date:		
Less than one year	1,786	1,786
Between two and five years	1,416	2,637
	<u>3,202</u>	<u>4,423</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,786 (2022 - £2,371).

At 31 March 2023 the Trust had no capital commitments contracted for but not provided in these financial statements. At 31 March 2022 the Trust had capital commitments contracted for but not provided in these financial statements amounting to £25,000.

12 RESTRICTED FUNDS

	1 April	Incoming	Normal	Resources	31 March
	2022	Resources	Expenditure	Transfer	2023
	£	£	£	£	£
Offas Dyke Car	-	863	-	(863)	-
Offas Dyke Sensory room	1,236	-	-	-	1,236
Cookery project	4,598	-	-	(881)	3,717
Sevenoaks Tomcat	643	-	-	-	643
Sevenoaks Paths	4,105	-	-	(4,105)	-
Pool upgrade	-	981	-	(981)	-
Government grants	-	6,747	(6,747)	-	-
Community liaison	-	10,000	(10,000)	-	-
Science week project	436	-	-	2	438
Stowfield Allotment Project	-	3,250	-	(3,250)	-
Alpaca project	-	2,000	-	-	2,000
Changing places	-	60,000	-	(54,749)	5,251
Morelands bed/paintbrushes/gazebo	-	550	-	-	550
Pool pilot and client session subsidy	-	33,500	(9,113)	-	24,387
Community garden project	-	3,000	-	-	3,000
	<u>11,018</u>	<u>120,891</u>	<u>(25,860)</u>	<u>(64,827)</u>	<u>41,222</u>

Resources transfer includes capital expenditure of £67,228 (2022 – £120,339).

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted funds £	Total £
Fixed assets	4,793,581	-	4,793,581
Current assets	1,979,137	41,222	2,020,359
Current liabilities	(342,822)	-	(342,822)
	<hr/>	<hr/>	<hr/>
Balance carried forward at 31 March 2023	6,429,896	41,222	6,471,118
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14 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 2022	4,516,376	964,273	900,000	11,018	6,391,667
Net incoming resources before transfers	(15,580)	-	-	95,031	79,451
Depreciation on revalued Amounts	17,174	(17,174)	-	-	-
Transfer between reserves	64,827	-	-	(64,827)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Funds carried forward At 31 March 2023	4,582,797	947,099	900,000	41,222	6,471,118
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The designated funds of the charitable company relates to a "Residential Care Development Fund" whereby it is the intention of the Trustees to further develop the provision of care and to provide for unforeseen major expenditure to the properties.

The Trustees are looking for suitable opportunities.

THE ORCHARD TRUST
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income before other recognised gains and losses	79,451	337,093
Interest receivable	(6,132)	(319)
Depreciation	173,810	145,346
(Profit) or loss on disposal of assets	(1,128)	(1,382)
(Increase) / decrease in debtors	(228,192)	57,480
Increase / (decrease) in creditors	95,072	59,850
	<hr/>	<hr/>
Net cash generated from operating activities	112,881	598,068
	<hr/> <hr/>	<hr/> <hr/>

16 RELATED PARTY TRANSACTIONS

During the year, rent and rates was paid of £17,600 (2022 - £16,669) to Mr R Morgan (a trustee), who owns a freehold property from which the company trades. No amounts remain unpaid as at 31 March 2023.