



Acorn Village

ACORN VILLAGES LIMITED

COMPANY NUMBER: 1048360

CHARITY NUMBER: 263954

FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016

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COMPANIES HOUSE

KIRBY ROOKYARD & CO
CHARTERED ACCOUNTANTS

1 Castle Court
St Peter's Street
Colchester
Essex CO1 1EW

ACORN VILLAGES LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016

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ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016****REFERENCE AND ADMINISTRATIVE INFORMATION**

The Directors, who are regarded as Trustees of the Charity, who served throughout the year and up to the date of this report were:

Mr K Burrows – Chairman
 Mr R Finch – Deputy Chairman
 Mr J Gray
 Mrs M I Green
 Mrs B Evers
 Lady A Hoskyns
 Mr K Jordan
 Mrs M Lee
 Mrs M Norman – Resigned 2nd November 2015
 Mrs J Owens
 Mr J Whittaker
 Rev D Lang – Appointed 15th February 2016

Principal Officers are:

M Cook	- Chief Executive (appointed 1 st December 2015) and Registered Manager
R Ablett	- Chief Executive (to 31 st December 2015)
Mrs H Ablett	- Community Founder Liaison Officer (to 31 st December 2015)
Mrs C Cridland	- Company Secretary
G Balls	- Operational Manager
T Cox	- Registered Manager with special responsibility for care services

The registered office of the company is Mistley Hall, Clacton Road, Mistley, Manningtree, Essex, CO11 2NJ

Bankers: Lloyds Bank plc, 27 High Street Colchester Essex CO1 1DU

Solicitors: Ellison & Co, Headgate Court, Colchester, Essex CO1 1NP
 and
 Sparling Benham & Brough, 13 High Street Manningtree, CO11 1AQ

Auditors: Kirby Rookyard & Co, 1 Castle Court, St Peter's Street, Colchester, Essex CO1 1EW

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Document**

The Charity is a company limited by guarantee, incorporated on 5th April 1972. The Company was established under a Memorandum and Articles of Association which were revised and updated during year ending 31st March 2012 to cater for changes in company law and to simplify the management of the Charity. The objects and ethos of the Charity however were deliberately left unaffected by the updated Memorandum and Articles of Association which remains the governing document. In the event of the Company being wound up the Directors (Trustees) are liable for an amount not exceeding £10.

Recruitment and Appointment of Directors (Trustees)

Directors of the company are Charity Trustees for the purposes of Charity Law and form the Management Board. One third of the directors retire by rotation each year, after which they can be re-elected at the next Annual General Meeting.

The nature of the Charity's work focuses on adults with learning disabilities; the directors ensure that the needs of this group are appropriately reflected in the diversity of the Board composition. To date the Board has been successful in recruiting new members through their own networking and local knowledge. The ongoing business operation and specific skills required for working with people with learning disabilities are well represented on the board. To obtain an essential skill mix and to avoid particular skills being lost due to retirement, individuals are approached to offer themselves for election or re-election to the Management Board.

ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS**
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)****Director (Trustee) Induction and Training**

The Directors are made aware of the work involved with the Charity and are given a briefing and overall tour of the operational activities. These are jointly led by the Chairman and Chief Executive of the Charity and include:

- The responsibilities of the Management Board member.
- The Memorandum and Articles of Association together with other documents which highlight the framework of the Charity.
- An information pack designed in line with the Charities Commission guide "The Essential Trustee".

Risk Management

The Management Board constantly reviews any major risks to which the Charity may be exposed, taking measures to alleviate such risks where appropriate.

A reserves policy is in place to cover any detrimental financial event.

The increase in the National Minimum Wage and the introduction of the "National Living Wage" represent a major challenge to the financial viability of the current structure of the organisation if Local Authority funding levels are not increased. In response to this a thorough analysis of the cost structure of the company is being undertaken to establish the charity's "core costs". This will enable us to negotiate realistic fees for new clients and redress the unrealistic fees received for some residents resulting from the termination of the block contract. It will also help further mitigate financial risk across the whole business.

All care facilities are registered with the Care Quality Commission. Procedures are in place and regularly reviewed to ensure compliance with:

- Health and Safety at Work regulations.
- The Working Time regulations.
- Care Quality Commission standards.
- Registered Homes Act.

The Quality Assurance system is monitored and updated to ensure it meets people's needs.

Organisation of the Charity

The Board of Directors meets at least quarterly and deals with the overall strategic direction and policy of the charity.

The Board has created appropriate sub-committees with defined terms of reference, and including members of the management teams to further understand and develop our vision and aims for the charity. The sub-committees are charged with reporting to the main board on their particular areas of responsibility.

The committees are:

- Finance, Risk and Salaries
- Health & Safety, Procurement and Premises
- Personnel
- Marketing and Fundraising
- Care, Safeguarding and Care Quality Commission Compliance

The Chief Executive deals with the day-to-day running of the organisation alongside the managers who supervise the day-to-day running of the Village Community, including the Supported Living Communities.

The overall responsibility for operational activities is delegated to the Chief Executive and the Senior Management Team including budgeted finance and compliance. Authorisation for non-budgeted capital spending remains with the Board.

The responsibility for ensuring that staff receive appropriate training in line with Care Quality Commission requirements and standards, including Health and Safety at work, lies with the Operations Manager/Registered Manager.

Key Management Personnel

The charity considers its key management personnel to be the Chief Executive Officer, the Founder Community Liaison Officer and the Operational Manager. The remuneration of the key management personnel is decided by the Board of Directors.

ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS**
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**OBJECTIVES AND ACTIVITIES**

The primary objective of the Charity is to provide care in permanent homes within a village community for adults with learning disabilities and associated problems where they can be supported, enjoy the benefits of a family life, develop and achieve their full potential. The Directors consider this not only advantageous to the village residents but the wider public. To facilitate this objective the Village provides a range of craft educational and social activities in which the villagers can participate. These activities are further enhanced through college courses, active leisure pursuits and use of facilities within the local community.

The Directors have had regard to the guidance issued by the Charity Commission on public benefit and consider the above activities achieve this aim.

The overall objectives for the year ended 31 March 2016 were:

- To continue to provide high quality standards of care to meet the individual needs of our residents.
- To progress additional facilities needed to meet the changing needs of residents and upgrade existing facilities to meet current standards.
- To progress and implement the founder /management succession plan to ensure smooth transition.
- To maintain the level of Reserves at three months running costs.
- To plan and begin implementation of the long term strategy of the Charity including catering for the changing physical needs of the residents.
- Continue promoting a healthy lifestyle for residents and staff.
- To maximise the potential of the Creative Arts and Therapeutic Centre as a source of fund raising without impacting services offered to residents and tenants.
- To evaluate the implications for the Charity of the proposed increase in the National Minimum Wage and the introduction of the "National Living Wage" and plan accordingly. These proposed changes represent a major challenge to the financial viability of the current structure of the organisation if Local Authority funding levels are not increased at the same time.

Strategies for achieving and meeting objectives for the year ended 31st March 2016:

- To maintain stability through prudent financial planning and with the cooperation of staff to work within the budget.
- Review and prepare for changes required in service provision in line with Local Government Funding assessments.
- Progress the plan for a new purpose built house for residence with health and mobility issues by agreeing the design, desired location on site and proceeding to a planning application.

STRATEGIC REPORT**Achievements and Performance**

During the year ended 31st March 2016 we:

- Provided high quality standards of care which meet the individual needs of our residents as affirmed by Care Quality Commission Reports.
- Maintained the Charity's reserves at three months running costs.
- Completed and commissioned the Creative Arts and Therapeutic Centre facilitating the production of high quality craft work in a stimulating social environment. The potential of the Creative Arts and Therapeutic Centre as a source of income has not been exploited as fully as anticipated and will remain as an objective.
- Following the cessation of the employments of the Chief Executive Officer and Founder Liaison Officer at the end of 2015, a rigorous recruitment process with external and internal candidates was undertaken and resulted in a seamless transition to the new Chief Executive Officer.
- Progressed to outline planning permission approval a new purpose built house for residents with health and mobility issues and obtained initial planning permission to build in the favoured location on site. However fund raising for this build has proved difficult and without sufficient progress being achieved the start of the project has been delayed. There is still an undeniable need for the facility and again this remains an objective.

ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)****STRATEGIC REPORT (Continued)****Financial Review**

The results for the year are fully detailed in the accounts in the form required by Company and Charity Law but a brief summary of these is as follows:

	2016	2015
	£	£
Community		
Total Income	3,329,214	3,353,493
Total Expenditure	3,869,348	3,759,499
Deficit for the year	(540,134)	(406,006)
Other Income		
Donations, Fund Raising and other income	108,061	979,292
Rent Receivable	10,088	9,784
Trading Subsidiaries:		
Coffee Shop	35,934	25,789
"Acorns" Charity Shops	34,568	35,900
	188,651	1,050,765
Other Charitable Expenditure		
Expenditure relating to Donations and Fund Raising Income		
Fund Raising and Publicity	(65,972)	(59,100)
Other Direct Charitable Expenditure	(100)	(813)
Governance Costs	-	(25,988)
	122,579	964,864
Net Incoming Resources for the Year	(417,555)	558,858
These Resources have effectively been expended as follows:		
Increase/(Decrease) in the value of Fixed Assets	(48,757)	22,164
Increase/(Decrease) in Net Current Assets	(368,798)	536,694
	(417,555)	558,858

Fund Raising

Fund raising is used principally for the provision and improvement of land and buildings for the Charity and also, when necessary, to cover the deficit arising on the running of the community.

Trading Subsidiaries

Details of the Charity's trading subsidiaries, Acorn village (Trading) Limited and Acorn Village (Acorns) Limited, and their results for the year are shown in notes 4 and 5 to the accounts on pages 15 and 16.

Principal Funding Sources

Our main sources of funding remain as Local Authorities, fund raising, grants, legacies and private donors. Funding from the Charity Shops continues and the use of social media and electronic sales outlets such as eBay is anticipated to increase. Thanks go to all the volunteers who assist in fund raising.

Investment Policy

The reduction in interest rates to almost negligible levels has led the Board to reconsider its position with regard cash reserves. The organisation's reserve policy is to ensure there is a minimum of three month's community running costs in a cash reserve. This is in the region of £1m.

Because it is in cash the reserve amount produces very little income in the current interest rate environment and this may well drop in the near future. This situation may last for a considerable time.

ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS**
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**STRATEGIC REPORT (Continued)****Investment Policy (continued)**

In view of the current financial constraints on local authority funding and the general difficulty in fund raising there is an increased need to maximize income from all sources.

As the reserves are not expected to be used in the foreseeable future the Directors are of the view that part of the reserves could be invested for the longer term to potentially produce a better income which does not need to be held in reserve but can be used to forward the aims of the charity, whilst still maintaining or even increasing the capital intact.

The Directors are cognisant of the risk to capital but are prepared to take a low to medium risk stance to achieve their aims. In view of the need to keep reserves available at short notice in the event of funding shortfalls and the intention to fund a new building in the near future unrestricted funds in excess of the reserves are also being retained on deposit.

The board is therefore actively considering a revision to the investment policy to include an investment in funds specifically set up for charity investments, the intention being to diversify such investments over a number of fund managers and asset classes.

Reserves Policy

The board has examined the charity's requirements for reserves in the light of the main risks to the organisation. It has established a reserve policy to ensure there is a minimum of three month's community running costs in unrestricted funds in a cash reserve. This is to cover the eventuality of short-term funding interruptions to cash flow or long term funding loss and enable residents to be relocated to different carers without the need for undue haste and the associated trauma that would entail.

The budgeted monthly running costs for 2016/17 are £310,637 and therefore the reserves should stand at a minimum of £931,911. As at 31 March 2016 liquid reserves stood at £1,399,068 well in excess of the minimum.

Plans for the Future

Our plans for the future are:

- To continue to provide high quality standards of care to meet the individual needs of our residents.
- To continue promoting a healthy lifestyle for residents and staff
- To maximise the potential of the Creative Arts and Therapeutic Centre as a source of fund raising without impacting services offered to residents and tenants.
- To progress additional facilities needed to meet the changing needs of residents including the potential new building and upgrade existing facilities to meet current standards and maximise their potential.
- To maintain the Charity's reserves at three months running costs.
- To work towards achieving a balanced budget thus avoiding the use of donations and legacies to cover any deficit arising from the running of the community.

Principal Risks and Uncertainties

The principal risk facing the charity remains that of costs and funding.

The increase in the National Minimum Wage and introduction of the National Living Wage will impact heavily on service provision costs and if not accompanied by a similar increase in funding could have a major impact on the services the charity is able to offer.

LAND AND BUILDINGS

The Directors are of the opinion that the value of freehold land and buildings is approximately £7,250,000 compared with a book value of £3,523,302.

FIXED ASSETS

The movements are shown in note 10 to the accounts on page 18.

ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS**
OR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

We are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

We are required under company law to prepare financial statements for each financial year. Under the law we must not approve the financial statements unless we are satisfied they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

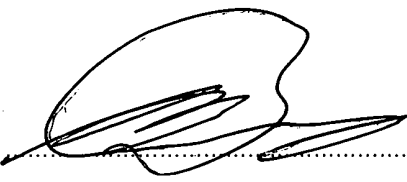
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

In accordance with company law, as the company's Directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.


)
 DIRECTORS
)
 M. J. Free
)
 17 October 2016
)
 DATE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF ACORN VILLAGES LIMITED
YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Acorn Villages Limited for the year ended 31 March 2016 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) including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Director's Responsibilities Statement set out on page 6, the trustees, who are also 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), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of 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 Annual Report of the Directors 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 2016 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Director's Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

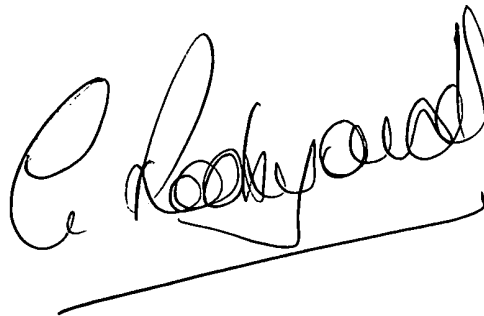
MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

G L ROOKYARD FCA (Senior Statutory Auditor)

For and on behalf of
KIRBY ROOKYARD & CO
CHARTERED ACCOUNTANTS
STATUTORY AUDITOR
 1 Castle Court
 St Peter's Street
 Colchester
 Essex CO1 1EW



17 October 2016

ACORN VILLAGES LIMITED**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016**

Notes	Unrestricted Funds		Restricted Funds (See Note 2)		Total Funds	
	2016 £	2015 £	2016 £	2015 £	2016 £	2015 £
INCOME AND EXPENDITURE ACCOUNT						
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	47,176	956,539	36,419	4,750	83,595	961,289
Charitable Activities:						
Community Income	3 -	-	3,329,214	3,353,493	3,329,214	3,353,493
Other Trading Activities:						
Income from Fund Raising	24,466	18,003	-	-	24,466	18,003
Net Income of Trading Subsidiaries:						
Acorn Village (Trading) Limited	4 35,934	25,789	-	-	35,934	25,789
Acorn Village (Acorns) Limited	5 34,568	35,900	-	-	34,568	35,900
Investment Income:						
Rent Receivable	6 10,088	9,784	-	-	10,088	9,784
TOTAL	152,232	1,046,015	3,365,633	3,358,243	3,517,865	4,404,258
EXPENDITURE ON:						
Raising Funds	7 65,972	59,100	-	-	65,972	59,100
Charitable Activities:						
Community Expenditure	3 -	-	3,869,348	3,759,499	3,869,348	3,759,499
Other	8 -	-	100	813	100	813
Governance Costs	-	25,988	-	-	-	25,988
TOTAL	65,972	85,088	3,869,448	3,760,312	3,935,420	3,845,400
NET INCOME/(EXPENDITURE)	86,260	960,927	(503,815)	(402,069)	(417,555)	558,858
TRANSFERS BETWEEN FUNDS	2 (41,010)	-	41,010	-	-	-
NET MOVEMENT IN FUNDS	45,250	960,927	(462,805)	(402,069)	(417,555)	558,858
RECONCILIATION OF FUNDS:						
Total Funds Brought Forward	3,770,217	2,809,290	2,068,816	2,470,885	5,839,033	5,280,175
Total Funds Carried Forward	3,815,467	3,770,217	1,606,011	2,068,816	5,421,478	5,839,033

There were no recognised gains or losses other than those included in the above Statement of Financial Activities.
All income and expenditure derive from continuing activities.

ACORN VILLAGES LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	<u>2016</u>		<u>2015</u>	
	£	£	£	£
NET CASH FLOW FROM OPERATING ACTIVITIES				
Net Income/(Expenditure)	(417,555)		558,858	
Interest Paid, less Received	(10,446)		(8,825)	
Depreciation of Fixed Assets	139,097		144,467	
(Increase)/Decrease in Stock	(182)		363	
(Increase)/Decrease in Debtors	(39,780)		35,771	
Increase/(Decrease) in Creditors	92,740		(55,017)	
		(236,126)		675,617
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	10,446		8,825	
Purchase of Tangible Fixed Assets	(91,990)		(166,631)	
Proceeds from Sale of Tangible Fixed Assets	1,650		-	
		(79,894)		(157,806)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(316,020)</u>		<u>517,811</u>

NOTES TO THE CASH FLOW STATEMENT**1. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR**

	<u>2016</u>	<u>2015</u>
Balance at Beginning of Year	2,064,133	1,546,322
Net Cash Inflow/(Outflow)	(316,020)	517,811
Balance at End of Year	<u>1,748,113</u>	<u>2,064,133</u>

2. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>2016</u>	<u>2015</u>	<u>Change in The Year</u>
Cash at Bank and in Hand	<u>1,748,113</u>	<u>2,064,133</u>	<u>(316,020)</u>
	<u>2015</u>	<u>2014</u>	<u>Change in The Year</u>
Cash at Bank and in Hand	<u>2,064,133</u>	<u>1,546,322</u>	<u>517,811</u>

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 31 MARCH 2016**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts.

a) General Information

Acorn Villages Limited is a charity registered with the Charity Commission with the Charity Number 263954. The Charity is incorporated as a limited company at Companies House with the Company Number 1048360 and domiciled in the United Kingdom. Its registered office is Mistley Hall, Clacton Road, Mistley, Manningtree, Essex, CO11 2NJ.

b) Basis of Accounting

These financial statements have been prepared under the historical cost accounting rules and in accordance with the Charities Act 2011, the 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) (effective January 2015) – (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Charity is a Public Benefit Entity as defined by FRS102.

FRS102 has been adopted for the first time when preparing these financial statements. The transition date to FRS102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. No restatement of the prior year figures was required.

c) Going Concern

There are no material uncertainties affecting the Charity's ability to operate and therefore these financial statements have been prepared on a going concern basis.

d) Maintenance Fees

Income from residential and supported living fees represents amounts invoiced during the year, exclusive of Value Added Tax. Accounting adjustments are made in respect of accrued or deferred income so that the amounts included on the Statement of Financial Activities represent fees receivable in relation to resident/tenant occupancy during the year.

e) Grants

Grants received for the purchase of tangible fixed assets are shown on the Balance Sheet as a deduction from the cost of these assets. The residual cost of these assets is depreciated in accordance with the stated accounting policy.

f) Donations

Income from donations is included in the accounts for the period in which it is received.

Donations in kind are reflected in these accounts as follows:

- (i) Goods donated for sale in 'Acorns' shops are recognised when the goods are sold.
- (ii) Donations of assets for use by the charity are recognised when received.
- (iii) Donations of services free or at undervalue by voluntary staff or others are not reflected in the accounts.

g) Maintenance

The cost of day-to-day and cyclical maintenance is written off as incurred.

h) Operating Leases

Rentals payable under operating leases are charged through the Statement of Financial Activities on a straight-line basis over the terms of the lease.

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**1. ACCOUNTING POLICIES (CONTINUED)****i) Pension Costs**

The Charity operates an auto enrolment pension scheme and an a define contribution scheme. Payments into these schemes are charged to the Statement of Financial Activities as incurred.

j) Depreciation

Tangible fixed assets are depreciated on the straight line or reducing balance method at rates calculated to write off the assets over their estimated useful lives. The rates used are as follows:

Freehold Property	-	1%, 2%, 4%, 6.67% and 10% straight line
Motor Vehicles	-	25% reducing balance
Fixtures, Fittings and Equipment	-	25% reducing balance

Sundry Tools and Soft Furnishings are not depreciated, the Balance Sheet amount representing the value of items that are constantly being replaced, the replacement cost being written off as incurred.

Expenditure of a capital nature on domestic appliances costing less than £500 and other items costing less than £200 is not capitalised.

k) Stocks

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

l) Financial Instruments**Cash and Cash Equivalents**

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity of less than six months.

Debtors and Creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price.

m) Assets financed by restricted funds

Since the cost of fixed assets was frequently financed by restricted funds but it was not possible to ascertain to what extent the cost of such assets had been so financed it was assumed that as at 1 April 1995, 90% of the book value of freehold property, excluding Oak Lodge (which was under construction at that date) had been financed by restricted funds.

Since Oak Lodge was under construction at 1 April 1995, it was possible to ascertain the extent to which it was financed by restricted funds.

All other assets at 1 April 1995 were assumed to have been financed by unrestricted funds.

Where assets have been treated as financed by restricted funds an amount equal to the depreciation on those assets is transferred each year from the appropriate restricted fund to the Acorn Village Community restricted fund.

Assets acquired to maintain and improve the existing infrastructure are treated as far as possible as being funded by Acorn Village Community to the extent that they are not funded by any other restricted fund.

n) Allocation of Staff and Other Cost

Staff costs and other expenses primarily relate to the management and administration of the Acorn Village Community and the extent to which these relate to fund raising and governance of the Charity is estimated by the Directors. These estimated amounts are included as Fund Raising and Governance Costs. The remaining expenses, which relate to the management and administration of the Village Community, are shown as Community Expenditure.

ACORN VILLAGES LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**

2. RESTRICTED FUNDS

	<u>Opening Balance</u>		<u>Movement in Resources</u>				<u>Transfers between Funds</u>		<u>Closing Balance</u>	
	<u>2016</u>	<u>2015</u>	<u>Incoming</u>	<u>2015</u>	<u>2016</u>	<u>Outgoing</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Acorn Village Community (see note 3)	471,633	849,479	3,329,214	3,353,493	3,869,348	3,759,499	68,501	28,160	-	471,633
Other Restricted Funds:										
Capital Reserve	998	998	-	-	-	-	-	-	998	998
Restricted Funds represented by Fixed Assets:										
Freehold Property	1,582,965	1,606,451	35,319	1,000	-	-	(24,486)	(24,486)	1,593,798	1,582,965
Fixtures, Fittings and Equipment	3,764	2,969	1,000	1,500	-	-	(1,191)	(705)	3,573	3,764
Sundry Tools and Soft Furnishing	200	200	-	-	-	-	-	-	200	200
Motor Vehicles	7,256	9,675	-	-	-	-	(1,814)	(2,419)	5,442	7,256
Other Restricted Funds:										
Jubilee House Garden Furniture	-	1,113	-	-	-	563	-	(550)	-	-
Gazebos for Fund Raising Events	-	-	-	250	-	250	-	-	-	-
138 Long Road Improvements	2,000	-	-	2,000	-	-	-	-	2,000	2,000
Therapeutic Art Materials	-	-	100	-	100	-	-	-	-	-
	1,597,183	1,621,406	36,419	4,750	100	813	(27,491)	(28,160)	1,606,011	1,597,183
	2,068,816	2,470,885	3,365,633	3,358,243	3,869,448	3,760,312	41,010	-	1,606,011	2,068,816

The transfers between funds represent depreciation on assets financed by restricted funds except for the transfer from the other restricted fund for the Jubilee House Garden Furniture which represented donated income received but not utilised during the year ended 31 March 2015. The balance has been transferred to the restricted funds represented by fixed assets – fixtures, fittings and equipment following the purchase of garden furniture during the year ended 31 March 2015.

The restricted fund for 138 Long Road Improvements represents donated income received but not yet utilised.

A transfer of £41,010 has been made from Unrestricted Funds to the Acorn Village Community Restricted Fund to eliminate the deficit on this restricted fund.

ACORN VILLAGES LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

3. ACORN COMMUNITY INCOME AND EXPENDITURE

	<u>2016</u>		<u>2015</u>
	£	£	£
INCOMING RESOURCES			
Maintenance Fees			
Residential Income	2,324,805		2,219,360
Supported Living Income	952,116		1,079,609
Training Income	13,808		20,015
Education Therapeutic Services Income	4,961		2,250
Bank Interest Receivable	10,446		8,825
Residents Recharged Expenses	18,929		20,187
Sundry Income	4,149		3,247
	<u>3,329,214</u>		<u>3,353,493</u>
RESOURCES EXPENDED			
Wages and Staff Expenses	3,062,218		3,086,046
Training Costs	14,600		11,843
Food and Household Expenses	105,468		107,072
Waste Disposal	19,963		19,670
Registration Fees and Subscriptions	9,131		8,308
Rent	16,752		17,278
Rates and Water Charges	18,397		19,988
Insurance	27,162		24,822
Light and Heat	57,830		64,958
Repairs and Renewals	235,583		120,608
Fire Alarm and Emergency Lighting			
System Costs	7,882		3,822
Educational Therapeutic Services Expenses	10,666		9,409
External Advisory Service	7,821		7,821
Telephone, Postage, Stationery			
and Advertising	26,251		27,445
Motor Expenses and Transportation	45,901		50,583
IT support	11,924		15,585
Legal and Professional Fees	19,774		12,627
Bank Charges and Interest	1,837		1,988
Sundry Expenses	5,074		5,159
Depreciation of Fixed Assets:			
Freehold Buildings	90,051		89,872
Motor Vehicles	7,939		9,426
Fixtures, Fittings and Equipment	41,107		45,169
Support Costs – Governance Costs	26,017		-
	<u>3,869,348</u>		<u>3,759,499</u>
	<u>(540,134)</u>		<u>(406,006)</u>
TRANSFER BETWEEN FUNDS			
Being depreciation on fixed assets			
financed by restricted funds:			
Freehold Property	24,486		24,486
Motor Vehicles	1,814		2,419
Fixtures, Fittings and Equipment	1,191		1,255
	<u>27,491</u>		<u>28,160</u>
Being from Unrestricted Funds to eliminate deficit	41,010		-
	<u>68,501</u>		<u>28,160</u>
NET DEFICIT FOR THE YEAR	<u>(471,633)</u>		<u>(377,846)</u>
BALANCE BROUGHT FORWARD	<u>471,633</u>		<u>849,479</u>
BALANCE CARRIED FORWARD	<u>-</u>		<u>471,633</u>

ACORN VILLAGES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

4. TRADING SUBSIDIARY – ACORN VILLAGE (TRADING) LIMITED

Acorn Village (Trading) Limited was incorporated in October 1994 to carry out certain trading activities on behalf of Acorn Villages Limited and the whole of its profit is donated to Acorn Villages Limited by way of Gift Aid.

The shares in Acorn Village (Trading) Limited are held by the Chairman and Chief Executive on behalf of Acorn Villages Limited.

Since incorporation the activities carried on by Acorn Village (Trading) Limited have been the running of Trinity Tea Rooms, at Trinity House, Manningtree until 31 March 2007 and the running of Ike @ 47 at the same location from 1 April 2007 until 16 June 2013.

With effect from 1 April 2010 the running of the Coffee Shop at Acorn Villages Limited has also been transferred to Acorn Village (Trading) Limited.

The results of these activities are as follows:

	<u>2016</u>	<u>2015</u>
TURNOVER	73,672	64,231
EXPENDITURE		
Purchases	33,907	34,483
Repairs and Renewals	432	974
Cleaning of Premises	1,268	933
Hire of Equipment	1,293	1,300
Printing, Stationery and Postage	276	196
Subscriptions	151	148
Audit and Accountancy Fees	375	375
Sundry Expenses	36	33
	<u>37,738</u>	<u>38,442</u>
TRANSFERRED TO ACORN VILLAGES LTD	<u>35,934</u>	<u>25,789</u>

Staffing at the Coffee Shop is provided by Acorn Villages Limited.

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**5. TRADING SUBSIDIARY – ACORN VILLAGE (ACORNS) LIMITED**

Acorn Village (Acorns) Limited was incorporated on 10 May 2007 to carry out certain trading activities on behalf of Acorn Villages Limited and the whole of its profit is donated to Acorn Villages Limited by way of Gift Aid.

The shares in Acorn Village (Acorns) Limited are held by a Director and the Chief Executive of Acorn Villages Limited on behalf of Acorn Villages Limited.

Since incorporation the only activity carried on by Acorn Village (Acorns) Limited has been the running of the charity shops in Brightlingsea, Essex and Manningtree, Essex as follows:

	<u>2016</u>	<u>2015</u>
TURNOVER	45,700	47,056
EXPENDITURE		
Purchases	208	193
Rent	8,899	8,900
Rates and Water Charges	125	85
Electricity	1,167	1,304
Repairs and Renewals	390	242
Audit and Accountancy Fees	350	350
Sundry Expenses	-	89
	11,139	11,163
OPERATING SURPLUS	34,561	35,893
BANK INTEREST RECEIVABLE	7	7
TRANSFERRED TO ACORN VILLAGES LTD	34,568	35,900

6. RENT RECEIVABLE

Rent Receivable relates to the letting of the ground floor of Trinity House following the cessation of Ike @ 47 on 16 June 2013.

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)****7. RAISING FUNDS**

	<u>2016</u>	<u>2015</u>
The staff and other costs estimated by the Directors to relate to Raising Funds of the Charity are as follows:		
Wages and Staff Expenses	54,085	49,935
Rates and Water Charges	283	308
Insurance	418	376
Light and Heat	890	999
Software Support Costs	456	333
Telephone, Postage, Stationery and Advertising	1,458	1,525
	<u>57,590</u>	<u>53,476</u>
Other Direct Fund Raising Expenses	5,491	5,624
Support Costs – Governance Costs	2,891	-
	<u>65,972</u>	<u>59,100</u>

8. OTHER DIRECT CHARITABLE EXPENDITURE

	<u>2016</u>	<u>2015</u>
Other Restricted Funds:		
Therapeutic Art Materials	100	-
Jubilee House Garden Furniture	-	563
Gazebos for Fund Raising Events	-	250
	<u>100</u>	<u>813</u>

9. SUPPORT COSTS – GOVERNANCE COSTS

	<u>2016</u>	<u>2015</u>
The staff and other costs estimated by the Directors to relate to Governance Costs of the Charity are as follows:		
Wages and Staff Expenses	14,510	12,621
Rates and Water Charges	188	204
Insurance	278	250
Light and Heat	593	666
Software Support Costs	455	333
Telephone, Postage, Stationery and Advertising	1,459	1,524
	<u>17,483</u>	<u>15,598</u>
Auditors Remuneration	11,425	10,390
	<u>28,908</u>	<u>25,988</u>
For the year ended 31 March 2016 Support Costs have been allocated between the following activities:		
Charitable Activities – Community	26,017	
Raising Funds	2,891	
	<u>28,908</u>	

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)****10. FIXED ASSETS**

	<u>Motor Vehicles</u>	<u>Fixtures, Fittings and Equipment</u>	<u>Sundry Tools and Soft Furnishings</u>	<u>Freehold Property</u>	<u>Total</u>
Tangible Assets					
Cost					
At 1 April 2015	111,692	477,779	49,785	4,713,170	5,352,426
Additions in Year	2,304	27,459	-	62,227	91,990
Disposals in Year	(14,850)	(22,173)	-	-	(37,023)
At 31 March 2016	<u>99,146</u>	<u>483,065</u>	<u>49,785</u>	<u>4,775,397</u>	<u>5,407,393</u>
Grants					
At 1 April 2015	-	2,847	-	10,476	13,323
Disposals in Year	-	(2,847)	-	-	(2,847)
At 31 March 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,476</u>	<u>10,476</u>
Depreciation					
At 1 April 2015	83,422	340,453	-	1,151,568	1,575,443
Charge for Year	7,939	41,107	-	90,051	139,097
On Disposals	(13,200)	(19,326)	-	-	(32,526)
At 31 March 2016	<u>78,161</u>	<u>362,234</u>	<u>-</u>	<u>1,241,619</u>	<u>1,682,014</u>
Net Book Value					
At 31 March 2015	<u>28,270</u>	<u>134,479</u>	<u>49,785</u>	<u>3,551,126</u>	<u>3,763,660</u>
At 31 March 2016	<u>20,985</u>	<u>120,831</u>	<u>49,785</u>	<u>3,523,302</u>	<u>3,714,903</u>

11. STOCKS

	<u>2016</u>	<u>2015</u>
Stationery	3,442	3,347
Electric Lamps	536	658
Household	<u>4,462</u>	<u>4,253</u>
	<u>8,440</u>	<u>8,258</u>

12. DEBTORS

	<u>2016</u>	<u>2015</u>
Income Debtors	155,463	134,440
Other Debtors	85,500	71,269
Prepayments and Accrued Income	<u>58,104</u>	<u>53,578</u>
	<u>299,067</u>	<u>259,287</u>

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)****13. CASH AT BANK AND IN HAND**

	2016	2015
Community Current Account	93,408	51,692
Amenities Current Account	28,123	17,785
Development Account	77,754	205,532
Premier Interest Account	248,059	688,433
Fixed Term Deposits	1,300,000	1,100,000
PayPal Account	165	82
Cash in Hand	604	609
	1,748,113	2,064,133

**14. CREDITORS: Amounts falling due
within one year**

	2016	2015
Community Expenditure Creditors	62,481	29,691
Taxation and Social Security	42,634	47,559
Other Creditors	201,159	94,162
Accruals	17,021	38,220
Deferred Income	25,750	46,673
	349,045	256,305

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Net Current Assets	Total
Restricted Funds:			
Capital Reserve	998	-	998
Freehold Property	1,593,798	-	1,593,798
Fixtures, Fittings and Equipment	3,573	-	3,573
Sundry Tools and Soft Furnishings	200	-	200
Motor Vehicles	5,442	-	5,442
138 Long Road Improvements	-	2,000	2,000
	1,604,011	2,000	1,606,011
Unrestricted Funds	2,110,892	1,704,575	3,815,467
	3,714,903	1,706,575	5,421,478

16. SHARE CAPITAL

Guarantee: Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up whilst he is a member, for the payment of debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding £10.

During the year ended 31 March 2012 the Memorandum and Articles of Association of the Company were amended, the principal change being that membership of the Company is now limited to those who are Directors.

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)****17. STAFF COSTS**

	<u>2016</u>	<u>2015</u>
The average number of persons employed by the Company during the year was as follows:		
Administration and Management Staff	19	21
Care Staff	146	149
Training Staff	3	4
Maintenance Staff	9	7
Educational Therapeutic Services Staff	13	11
Coffee Shop	6	5
	<u>196</u>	<u>197</u>

The aggregate payroll costs of these persons were:

Salaries and Staff Expenses	2,884,135	2,926,295
Social Security Costs	189,278	197,504
Pension Costs	24,170	24,803
Redundancy and Termination Payments	33,230	-
	<u>3,130,813</u>	<u>3,148,602</u>

This total is allocated as follows:

Direct Charitable Expenditure - Community Running Costs	3,062,218	3,086,046
Fund Raising and Publicity	54,085	49,935
Governance Costs	14,510	12,621
	<u>3,130,813</u>	<u>3,148,602</u>

Pension costs relate to a defined contribution scheme. The contributions during the year ended 31 March 2016 were £24,170 (2015 £24,803) and at 31 March 2016 contributions of £72 (2015 £172) were outstanding and are included in creditors.

No employees have received emoluments in excess of £60,000 during the years ended 31 March 2016 or 31 March 2015.

The Directors of the Company receive no remuneration or reimbursement of expenses.

Termination payments, being compensation for loss of employment as at 31 December 2015, were paid to the Chief Executive, R Ablett, and the Founder Company Liaison Officer, Mrs H Ablett, during the year ended 31 March 2016. The amounts paid were £14,897 and £16,701 respectively.

A redundancy payment of £1,632 was paid to Mrs H Stone during the year ended 31 March 2016.

The key management personnel of the Charity are considered to be the Chief Executive Officer, the Founder Community Liaison Officer and the Operational Manager. The employee benefits, excluding pension contributions, of the key management personnel are £54,927 for R Ablett in his role as Chief Executive Officer (until 31 December 2015), £48,906 for Mrs H Ablett in her role as Founder Company Liaison Officer (until 31 December 2015), £15,509 for Miss M Cook in her role as Chief Executive (from 1 December 2015) and £43,907 for G Balls in his role as Operational Manager.

18. SURPLUS FOR THE YEAR

	<u>2016</u>	<u>2015</u>
The surplus for the year is stated after charging:		
Auditors Remuneration:		
In their capacity as Auditors	8,100	7,800
Other work	3,325	2,590
	<u>11,425</u>	<u>10,390</u>

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)****19. TAXATION**

As a charity, Acorn Village Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

20. CAPITAL COMMITMENTS

	<u>2016</u>	<u>2015</u>
<u>Authorised and Contracted for:</u>		
Final phase of the installation of the fibre optic internet lines	<u>6,000</u>	<u>-</u>

21. FINANCIAL COMMITMENTS

	<u>2016</u>	<u>2015</u>
<u>Authorised but not Contracted for:</u>		
Replacement Kitchen at Jubilee House	10,000	-
Repairs to Mistle Hall Exterior	<u>-</u>	<u>50,000</u>

22. RELATED PARTY TRANSACTIONS

There were no related party transactions with the Charity Trustees during the years ended 31 March 2016 or 31 March 2015.

23. CONTINGENT LIABILITY

The Charity was the beneficiary of a legacy of £1,000,000 donated during the years ended 31 March 2014 and 2015. The will of the deceased benefactor is being contested and the Charity may be required to repay part of the legacy. The amount of the potential claim is currently not known but the Charity's legal advice is that the potential cost will be minimal in relation to the original donation.