



Acorn Village

ACORN VILLAGES LIMITED

COMPANY NUMBER: 1048360

CHARITY NUMBER: 263954

FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

THURSDAY



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COMPANIES HOUSE

KIRBY ROOKYARD & CO
CHARTERED ACCOUNTANTS
Dunedin, Brantham Hill,
Brantham, Manningtree,
Essex, CO11 1ST

ACORN VILLAGES LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

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ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2017****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 J Owens
 Mr J Whittaker
 Rev D Lang

Principal Officers are:

M Cook	- Chief Executive and Registered Manager
Mrs C Cridland	- Company Secretary
G Balls	- Operations 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, Dunedin, Brantham Hill, Brantham, Manningtree, Essex, CO11 1ST

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.

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".

ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS**
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)****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 Risk Register has been developed which is reviewed at the quarterly board meetings and updated and amended as deemed necessary.

Policies and controls are updated and amended as regulations require or improvements are deemed beneficial.

A reserves policy is in place to cover any major detrimental financial event. The minimum level of the reserves is set at three times the average monthly running cost of the service.

The increase in the minimum wage and continued cost cutting of the local authorities represent a major challenge to the financial viability of the current structure of, and services provided by, the organisation. In response to this a thorough and ongoing analysis of the cost structure of the Company was undertaken to establish the Company's "core additional services costs". This is kept under constant review to enable us to negotiate realistic fees for new clients and redress the unrealistic historically set fees received for some residents. It will also help us adapt other services provided, so they are economically viable so further mitigating 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 legislation including:

- Care Act 2014.
- Health and Social Care Act 2008.
- Care Quality Commission standards.

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 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 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 Operations Manager and the Senior Registered 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 2017 (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 Charity also provides care for people living in the wider community not just on the main site.

To facilitate this objective the Charity provides or arranges access to the following activities:

- Social
- Craft
- Gardening and Horticulture
- Educational
- Active Leisure
- Use of facilities within the local community

How our activities deliver public benefit

As well as providing care for our 59 residents and tenants we also provide relief from the stress of being full time carers and thus the opportunity for parents and/or siblings to lead a normal life in the knowledge that their loved one is being cared for in a safe environment with opportunities they may not have had at home. We also support local businesses by utilizing their services and by directly employing in the region of 200 staff from the local area and thereby enhance the local economy. Our Coffee Shop provides a facility which not only local residents and visitors can enjoy, but where similarly disadvantaged adults and their carers can meet in an atmosphere where they are safe, welcomed and feel at home.

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 objectives for the year ended 31 March 2017 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 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 maintain the financial health of the Charity

Strategies for achieving and meeting objectives for the year ended 31 March 2017:

- To maintain stability through prudent financial planning and with the cooperation of staff to work within the budget.
- Review and react to changes required in service provision in line with Local Government Funding assessments.
- Raise funds for a new purpose built house for residence with health and mobility issues.

STRATEGIC REPORT**Achievements and Performance**

During the year ended 31 March 2017 we:

- Provided high quality standards of care meeting the individual needs of our residents and tenants.
- Maintained the Charity's reserves at three months running costs.
- By prudent budgetary control we stemmed the need for the use of donations and legacies to fund day to day care so that these funds could be used to improve the lives of our residents and tenants.
- Provided internet access to all areas of the main site and Wifi provision in the Coffee Shop and Oakroom.
- Enhanced further the reputation of the Creative Arts and Therapeutic Centre by the production of high quality craft as evidenced by the feedback from the wider local community in response to the Christmas Peter Pan Experience. However, in spite of this, the potential of the Creative Arts and Therapeutic Centre as a source of income rather than a funding requirement has not been as successful as anticipated and the need to remedy this situation is a high priority.
- Whilst some funding towards the proposed new purpose built house for residents with health and mobility issue was obtained following receipt of planning permission, insufficient progress was achieved to progress the project. There is still an undeniable need for this type of facility but, with funding for residential places being difficult and becoming harder to obtain, the board decided that it was not viable to proceed with this in the current proposed format.

ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2017 (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:

	<u>2017</u>		<u>2016</u>	
	£	£	£	£
Community				
Total Income		3,406,677		3,329,214
Total Expenditure		3,718,463		3,869,348
Deficit for the year		(311,786)		(540,134)
Other Income				
Donations, Fund Raising and other income	166,434		108,061	
Rent Receivable	3,207		10,088	
Trading Subsidiaries:				
Coffee Shop	46,147		35,934	
"Acorns" Charity Shops	32,455		34,568	
	248,243		188,651	
Other Charitable Expenditure				
Expenditure relating to Donations and Fund Raising Income				
Fund Raising and Publicity	(40,265)		(65,972)	
Other Direct Charitable Expenditure	(100)		(100)	
Other Expenditure	(27,839)		-	
		180,039		122,579
Net Outgoing Resources for the Year		(131,747)		(417,555)
These Resources have effectively been expended as follows:				
Decrease in the value of Fixed Assets		(69,747)		(48,757)
Decrease in Net Current Assets		(62,000)		(368,798)
		(131,747)		(417,555)

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

Acorn Villages Limited has two trading subsidiaries Acorn Village (Trading) Limited, the coffee shop, and Acorn Village (Acorns) Limited, the Charity shops, and their results for the year are shown in notes 4 and 5 to the accounts on pages 15 and 16.

The Coffee shop is at the heart of the organisation's activities and is increasingly popular as a meeting place and lunch destination for groups from a diverse range of clubs and organisations as well as individuals.

The charity shop in Manningtree and the onsite shop in Mistley are run by volunteers to whom we are extremely grateful. The shop in Manningtree moves to new premises in April 2017 and will have a dedicated room for books and music, the latter as a result of the popularity of the books, records Cd's and Dvd's on site.

Principal Funding Sources

Our main sources of funding remain as Local Authorities, grants, legacies and private donors and the trading subsidiaries. Fund raising of furniture on site and utilizing social media and electronic sales outlets such as eBay has increased and it is anticipated that it will increase in importance as a source of revenue. Thanks go to all the volunteers who assist in fund raising.

ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS**
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**STRATEGIC REPORT (Continued)****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.

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 trustees 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. The Board agreed 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.

These investments have not yet been made following a major cash-flow problem resulting from delayed payments by service commissioners and a series of high risk geopolitical events which had major impacts on the currency and securities markets. However, it is still the intention to proceed with the diversification when circumstances allow.

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 average monthly running cost for the first 5 months of year 2017/18 were £303,792 and therefore the reserves should stand at a minimum of £911,376. As at 31 March 2017 liquid reserves stood at £1,255,879 well in excess of the minimum and remain at a similar level.

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 expand our interaction with the wider community by encouraging the use of the coffee shop, their participation in events such as our annual fun and friendly dog show, and attendance of functions such as the NAFAS Flower show and the Winter Bazaar usually accompanied by a themed attraction. In 2016 it was Peter Pan and in 2017 it will be Beauty and the Beast.
- To continue promoting a healthy lifestyle for residents and staff.
- To further develop the opportunities of the residents and tenants for social interaction, occupational, educational, physical or therapeutic activity.
- To progress additional facilities needed to meet the changing needs of residents including potential new building(s) and upgrade existing facilities to meet current standards and maximise their potential.
- To maintain the Charity's reserves at three months running costs.
- To continue working towards achieving a sustainable 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 minimum wage and the associated impact on all wages, the effect of inflation on other on service provision costs, and with the lack of an uplift to funding, could have a major impact on the services the Charity is able to offer.

Of major concern are the effects on staff retention, the services we are able to offer, and the financial position of the Charity. However, we will continue to be prudent with regards to spending and inventive in our fund raising activities to try and mitigate these risks.

ACORN VILLAGES LIMITED**COMPANY NUMBER 1048360****CHARITY NUMBER 263954****ANNUAL REPORT OF THE DIRECTORS**
OR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**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 £3,474,155.

FIXED ASSETS

The movements are shown in note 11 to the accounts on page 18.

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:


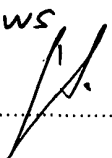
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare 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 Company's auditors are aware of that information.


K BURROWS) DIRECTORS

R FINCH)
16 October 2017) DATE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF ACORN VILLAGES LIMITED
YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Acorn Villages Limited for the year ended 31 March 2017 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 2017 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



16 October 2017

ACORN VILLAGES LIMITED**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017**

Notes	Unrestricted Funds		Restricted Funds (See Note 2)		Total Funds	
	2017 £	2016 £	2017 £	2016 £	2017 £	2016 £
INCOME AND EXPENDITURE ACCOUNT						
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	119,779	47,176	22,062	36,419	141,841	83,595
Charitable Activities:						
Community Income	3 -	-	3,406,677	3,329,214	3,406,677	3,329,214
Other Trading Activities:						
Income from Fund Raising	24,593	24,466	-	-	24,593	24,466
Net Income of Trading Subsidiaries:						
Acorn Village (Trading) Limited	4 46,147	35,934	-	-	46,147	35,934
Acorn Village (Acorns) Limited	5 32,455	34,568	-	-	32,455	34,568
Investment Income:						
Rent Receivable	6 3,207	10,088	-	-	3,207	10,088
TOTAL	226,181	152,232	3,428,739	3,365,633	3,654,920	3,517,865
EXPENDITURE ON:						
Raising Funds	7 38,965	65,972	1,300	-	40,265	65,972
Charitable Activities:						
Community Expenditure	3 -	-	3,718,463	3,869,348	3,718,463	3,869,348
Other	8 -	-	100	100	100	100
Other Expenditure	9 27,839	-	-	-	27,839	-
TOTAL	66,804	65,972	3,719,863	3,869,448	3,786,667	3,935,420
NET INCOME/(EXPENDITURE)	159,377	86,260	(291,124)	(503,815)	(131,747)	(417,555)
TRANSFERS BETWEEN FUNDS	2 (284,701)	(41,010)	284,701	41,010	-	-
NET MOVEMENT IN FUNDS	(125,324)	45,250	(6,423)	(462,805)	(131,747)	(417,555)
RECONCILIATION OF FUNDS:						
Total Funds Brought Forward	3,815,467	3,770,217	1,606,011	2,068,816	5,421,478	5,839,033
Total Funds Carried Forward	3,690,143	3,815,467	1,599,588	1,606,011	5,289,731	5,421,478

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 2017**

	<u>2017</u>		<u>2016</u>	
	£	£	£	£
NET CASH FLOW FROM OPERATING ACTIVITIES				
Net Expenditure	(131,747)		(417,555)	
Interest Paid, less Received	(7,042)		(10,446)	
Depreciation of Fixed Assets	128,455		139,097	
(Increase)/Decrease in Stock	408		(182)	
Increase in Debtors	(81,597)		(39,780)	
Increase/(Decrease) in Creditors	(21,169)		92,740	
		(112,692)		(236,126)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	7,042		10,446	
Purchase of Tangible Fixed Assets	(60,048)		(91,990)	
Proceeds from Sale of Tangible Fixed Assets	1,340		1,650	
		(51,666)		(79,894)
DECREASE IN CASH AND CASH EQUIVALENTS		(164,358)		(316,020)

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

	<u>2017</u>	<u>2016</u>
Balance at Beginning of Year	1,748,113	2,064,133
Net Cash Outflow	(164,358)	(316,020)
Balance at End of Year	1,583,755	1,748,113

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

	<u>2017</u>	<u>2016</u>	<u>Change in The Year</u>
Cash at Bank and in Hand	1,583,755	1,748,113	(164,358)
	<u>2016</u>	<u>2015</u>	<u>Change in The Year</u>
Cash at Bank and in Hand	1,748,113	2,064,133	(316,020)

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 31 MARCH 2017**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 company limited by guarantee 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.

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 2017 (CONTINUED)****1. ACCOUNTING POLICIES (CONTINUED)****i) Pension Costs**

The Charity operates an auto enrolment pension scheme and a defined 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 2017 (CONTINUED)

2. RESTRICTED FUNDS

	Opening Balance		Movement in Resources				Transfers between Funds		Closing Balance	
	2017	2016	Incoming	2016	Outgoing	2016	2017	2016	2017	2016
Acorn Village Community (see note 3)	-	471,633	3,406,677	3,329,214	3,718,463	3,869,348	311,786	68,501	-	-
Other Restricted Funds:										
Capital Reserve	998	998	-	-	-	-	-	-	998	998
Restricted Funds represented by Fixed Assets:										
Freehold Property	1,593,798	1,582,965	8,250	35,319	-	-	(28,542)	(24,486)	1,573,506	1,593,798
Fixtures, Fittings and Equipment	3,573	3,764	2,162	1,000	-	-	(1,438)	(1,191)	4,297	3,573
Sundry Tools and Soft Furnishing	200	200	-	-	-	-	-	-	200	200
Motor Vehicles	5,442	7,256	-	-	-	-	(1,361)	(1,814)	4,081	5,442
Other Restricted Funds:										
138 Long Road Improvements	2,000	2,000	-	-	-	-	-	-	2,000	2,000
Gregory House Improvements	-	-	5,000	-	-	-	4,256	-	9,256	-
Oak Lodge Kitchen Refurbishment	-	-	5,250	-	-	-	-	-	5,250	-
Therapeutic Art Materials	-	-	100	100	100	100	-	-	-	-
Book Launch Expenditure	-	-	1,000	-	1,000	-	-	-	-	-
Xmas Bazaar Expenditure	-	-	300	-	300	-	-	-	-	-
	1,606,011	1,597,183	22,062	36,419	1,400	100	(27,085)	(27,491)	1,599,588	1,606,011
	1,606,011	2,068,816	3,428,739	3,365,633	3,719,863	3,869,448	284,701	41,010	1,599,588	1,606,011

The transfers between funds represent depreciation on assets financed by restricted funds except for the transfer of £4,256 from Freehold Property to the other restricted fund for the Gregory House Improvements which represents donated income received for the new build at Mistley Wood which the donors have agreed could be used for Gregory House improvements instead.

The restricted funds for 138 Long Road Improvements, Gregory House Improvements and Oak Lodge Kitchen Refurbishment represents donated income received but not utilised at the Balance Sheet date.

A transfer of £284,701 (2016 £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 2017 (CONTINUED)****3. ACORN COMMUNITY INCOME AND EXPENDITURE**

	£	2017	£	2016	£
INCOME					
Maintenance Fees					
Residential Income		2,378,580		2,324,805	
Supported Living Income		964,716		952,116	
Training Income		11,895		13,808	
Educational Therapeutic Services Income		11,736		4,961	
Bank Interest Receivable		7,042		10,446	
Residents Recharged Expenses		30,228		18,929	
Sundry Income		2,480		4,149	
		<u>3,406,677</u>		<u>3,329,214</u>	
EXPENDITURE					
Wages and Staff Expenses	3,105,892		3,062,218		
Training Costs	14,521		14,600		
Food and Household Expenses	103,585		105,468		
Waste Disposal	22,578		19,963		
Registration Fees and Subscriptions	10,916		9,131		
Rent	10,275		16,752		
Rates and Water Charges	17,139		18,397		
Insurance	26,032		27,162		
Light and Heat	51,869		57,830		
Repairs and Renewals	105,509		235,583		
Fire Alarm and Emergency Lighting					
System Costs	5,945		7,882		
Educational Therapeutic Services Expenses	10,983		10,666		
External Advisory Service	7,821		7,821		
Telephone, Postage, Stationery					
and Advertising	20,438		26,251		
Motor Expenses and Transportation	44,171		45,901		
IT support	5,088		11,924		
Legal and Professional Fees	-		19,774		
Bank Charges and Interest	1,928		1,837		
Sundry Expenses	4,807		5,074		
Depreciation of Fixed Assets:					
Freehold Buildings	86,994		90,051		
Motor Vehicles	4,847		7,939		
Fixtures, Fittings and Equipment	36,614		41,107		
Support Costs – Governance Costs	20,511		26,017		
		<u>3,718,463</u>		<u>3,869,348</u>	
		(311,786)		(540,134)	
TRANSFER BETWEEN FUNDS					
Being depreciation on fixed assets					
financed by restricted funds:					
Freehold Property	24,286		24,486		
Motor Vehicles	1,361		1,814		
Fixtures, Fittings and Equipment	1,438		1,191		
	<u>27,085</u>		<u>27,491</u>		
Being from Unrestricted Funds to eliminate deficit	284,701		41,010		
		<u>311,786</u>		<u>68,501</u>	
NET DEFICIT FOR THE YEAR		-		(471,633)	
BALANCE BROUGHT FORWARD		-		471,633	
BALANCE CARRIED FORWARD		-		-	

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (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>2017</u>	<u>2016</u>
TURNOVER	85,216	73,672
EXPENDITURE		
Purchases	30,704	33,907
Rates	293	-
Repairs and Renewals	5,130	432
Cleaning of Premises	891	1,268
Hire of Equipment	1,319	1,293
Printing, Stationery and Postage	170	276
Subscriptions	153	151
Audit and Accountancy Fees	375	375
Bank Charges	30	-
Sundry Expenses	4	36
	<u>39,069</u>	<u>37,738</u>
TRANSFERRED TO ACORN VILLAGES LTD	<u>46,147</u>	<u>35,934</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 2017 (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, Manningtree, Essex and at Mistley Hall as follows:

	<u>2017</u>	<u>2016</u>
TURNOVER	53,481	45,700
EXPENDITURE		
Purchases	730	208
Rent	8,833	8,899
Rates and Water Charges	1,030	125
Electricity	920	1,167
Repairs and Renewals	8,989	-
Replacement Equipment	177	390
Audit and Accountancy Fees	350	350
Sundry Expenses	4	-
	21,033	11,139
OPERATING SURPLUS	32,448	34,561
BANK INTEREST RECEIVABLE	7	7
TRANSFERRED TO ACORN VILLAGES LTD	32,455	34,568

6. RENT RECEIVABLE

Rent Receivable relates to the letting of the ground floor of Trinity House until 18 July 2016.

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)****7. RAISING FUNDS**

	<u>2017</u>	<u>2016</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	29,375	54,085
Rates and Water Charges	264	283
Insurance	400	418
Light and Heat	798	890
Software Support Costs	363	456
Telephone, Postage, Stationery and Advertising	1,135	1,458
	<u>32,335</u>	<u>57,590</u>
Other Direct Fund Raising Expenses	5,651	5,491
Support Costs – Governance Costs	2,279	2,891
	<u>40,265</u>	<u>65,972</u>

The raising funds expenditure relates to the following funds:

Unrestricted Funds	38,965	65,972
Restricted Fund – Book Launch Expenditure	1,000	-
Restricted Fund – Christmas Bazaar Expenditure	300	-
	<u>1,300</u>	<u>-</u>
	<u>40,265</u>	<u>65,972</u>

8. OTHER DIRECT CHARITABLE EXPENDITURE

	<u>2017</u>	<u>2016</u>
Other Restricted Funds:		
Therapeutic Art Materials	100	100

9. OTHER EXPENDITURE

	<u>2017</u>	<u>2016</u>
Repayment of legacy received in earlier years (see note below)	18,800	-
Claimants legal costs on the above	6,480	-
Legal costs on the above	2,379	-
Legal costs on letting Trinity House	180	-
	<u>27,839</u>	<u>-</u>

The Charity was the beneficiary of a legacy of £1,000,000 donated during the years ended 31 March 2013 and 2014. Following a contesting of the will the Charity has repaid £18,800 of the amount received together with legal costs of the claimant of £6,480.

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)****10. SUPPORT COSTS – GOVERNANCE COSTS**

	<u>2017</u>	<u>2016</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	7,989	14,510
Rates and Water Charges	175	188
Insurance	268	278
Light and Heat	532	593
Software Support Costs	363	455
Telephone, Postage, Stationery and Advertising	1,136	1,459
	<u>10,463</u>	<u>17,483</u>
Auditors Remuneration	12,327	11,425
	<u>22,790</u>	<u>28,908</u>
The Support Costs have been allocated between the following activities:		
Charitable Activities – Community	20,511	26,017
Raising Funds	2,279	2,891
	<u>22,790</u>	<u>28,908</u>

11. FIXED ASSETS – TANGIBLE 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>
Cost					
At 1 April 2016	99,146	483,065	49,785	4,775,397	5,407,393
Additions in Year	2,000	20,201	-	37,847	60,048
Disposals in Year	(5,786)	(24,763)	-	-	(30,549)
At 31 March 2017	<u>95,360</u>	<u>478,503</u>	<u>49,785</u>	<u>4,813,244</u>	<u>5,436,892</u>
Grants					
At 1 April 2016 and 31 March 2017	-	-	-	10,476	10,476
Depreciation					
At 1 April 2016	78,161	362,234	-	1,241,619	1,682,014
Charge for Year	4,847	36,614	-	86,994	128,455
On Disposals	(4,446)	(24,763)	-	-	(29,209)
At 31 March 2017	<u>78,562</u>	<u>374,085</u>	<u>-</u>	<u>1,328,613</u>	<u>1,781,260</u>
Net Book Value					
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>
At 31 March 2017	<u>16,798</u>	<u>104,418</u>	<u>49,785</u>	<u>3,474,155</u>	<u>3,645,156</u>

12. STOCKS

	<u>2017</u>	<u>2016</u>
Stationery	3,717	3,442
Electric Lamps	266	536
Household	4,049	4,462
	<u>8,032</u>	<u>8,440</u>

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)****13. DEBTORS**

	<u>2017</u>	<u>2016</u>
Income Debtors	232,190	155,463
Other Debtors	85,600	85,500
Prepayments and Accrued Income	62,874	58,104
	<u>380,664</u>	<u>299,067</u>

14. CASH AT BANK AND IN HAND

	<u>2017</u>	<u>2016</u>
Community Current Account	104,483	93,408
Amenities Current Account	24,610	28,123
Development Account	632,766	77,754
Premier Interest Account	21,086	248,059
Fixed Term Deposits	800,000	1,300,000
PayPal Account	199	165
Cash in Hand	611	604
	<u>1,583,755</u>	<u>1,748,113</u>

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

	<u>2017</u>	<u>2016</u>
Community Expenditure Creditors	27,328	62,481
Taxation and Social Security	51,219	42,634
Other Creditors	155,432	201,159
Accruals	6,340	17,021
Deferred Income	87,557	25,750
	<u>327,876</u>	<u>349,045</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Tangible Fixed Assets</u>	<u>Net Current Assets</u>	<u>Total</u>
Restricted Funds:			
Capital Reserve	998	-	998
Freehold Property	1,573,506	-	1,573,506
Fixtures, Fittings and Equipment	4,297	-	4,297
Sundry Tools and Soft Furnishings	200	-	200
Motor Vehicles	4,081	-	4,081
138 Long Road Improvements	-	2,000	2,000
Gregory House Improvements	-	9,256	9,256
Oak Lodge Kitchen Refurbishment	-	5,250	5,250
	<u>1,583,082</u>	<u>16,506</u>	<u>1,599,588</u>
Unrestricted Funds	<u>2,062,074</u>	<u>1,628,069</u>	<u>3,690,143</u>
	<u>3,645,156</u>	<u>1,644,575</u>	<u>5,289,731</u>

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)****17. 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.

18. STAFF COSTS

	<u>2017</u>	<u>2016</u>
The average number of persons employed by the Company during the year was as follows:		
Administration and Management Staff	17	19
Care Staff	144	146
Training Staff	3	3
Maintenance Staff	9	9
Educational Therapeutic Services Staff	13	13
Coffee Shop	5	6
	<u>191</u>	<u>196</u>

The aggregate payroll costs of these persons were:

Salaries and Staff Expenses	2,927,422	2,884,135
Social Security Costs	198,301	189,278
Pension Costs	17,533	24,170
Redundancy and Termination Payments	-	33,230
	<u>3,143,256</u>	<u>3,130,813</u>

This total is allocated as follows:

Direct Charitable Expenditure - Community Running Costs	3,105,892	3,062,218
Fund Raising and Publicity	29,375	54,085
Governance Costs	7,989	14,510
	<u>3,143,256</u>	<u>3,130,813</u>

Pension costs relate to defined contribution schemes. The contributions during the year ended 31 March 2017 were £17,533 (2016 £24,170) and at 31 March 2017 contributions of £Nil (2016 £72) were outstanding and are included in creditors.

No employees have received emoluments in excess of £60,000 during the years ended 31 March 2017 or 31 March 2016.

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 Operations Manager and the Senior Registered Manager. The employee benefits, excluding pension contributions, of the key management personnel are £48,947 for Miss M Cook in her role as Chief Executive, £45,123 for G Balls in his role as Operations Manager and £35,857 for T Cox in his role as Senior Registered Manager.

ACORN VILLAGES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)****19. SURPLUS FOR THE YEAR**

	<u>2017</u>	<u>2016</u>
The surplus for the year is stated after charging:		
Auditors Remuneration:		
In their capacity as Auditors	8,340	8,100
Other work	<u>3,987</u>	<u>3,325</u>
	<u>12,327</u>	<u>11,425</u>

20. 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.

21. CAPITAL COMMITMENTS

	<u>2017</u>	<u>2016</u>
<u>Authorised and Contracted for:</u>		
Final phase of the installation of the fibre optic internet lines	<u>-</u>	<u>6,000</u>

22. FINANCIAL COMMITMENTS

	<u>2017</u>	<u>2016</u>
<u>Authorised but not Contracted for:</u>		
Replacement Kitchen at Jubilee House	<u>-</u>	<u>10,000</u>

23. RELATED PARTY TRANSACTIONS

There were no related party transactions with the Charity Trustees during the years ended 31 March 2017 or 31 March 2016.