

# DEMENTIA MATTERS

England & Wales · Charity number 1045517

## Details

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Other names	DEMENTIA CARE, DEMENTIA CARE INITIATIVE, DEMENTIA CARE PARTNERSHIP
Status	Registered
Legal form	Charitable company
Company number	<a href="#">02980817</a>
Registered	1995-04-03
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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## Activities

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**Objects:** (A) THE RELIEF OF PERSONS WHO ARE IN NEED AS A RESULT OF DEMENTIA OR OTHER DEGENERATIVE NEUROLOGICAL DISORDERS, ACQUIRED BRAIN INJURY, MENTAL HEALTH ISSUES, LEARNING, SENSORY OR OTHER PROBLEMS ARISING FROM AGEING, ILLNESS OR DISEASE; (B) THE RELIEF OF POVERTY AND DISTRESS CAUSED THEREBY OF CARERS AND EX-CARERS OF SUCH PERSONS AND THEIR FAMILIES; (C) THE PROVISION OF ADVOCACY TO ASSIST SUCH PERSONS TO OBTAIN ACCESS TO THEIR FULL RIGHTS AND PRIVILEGES AS CITIZENS; (D) THE ADVANCEMENT OF EDUCATION AMONGST CARERS AND THE GENERAL PUBLIC REGARDING DEMENTIA AND OTHER ISSUES REFERRED TO IN CLAUSE (A) ABOVE

**Activities:** Dementia Matters provides support services to people with dementia and other degenerative neurological disorders and their carers. The charity provides a home care and support service in the community, independent supported living houses, day centres, residential respite care, training, advice and information and advocacy.

## Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Elderly/old People, People With Disabilities, Other Defined Groups

## Geography

- **Area of benefit:** IN PRACTICE NEWCASTLE UPON TYNE
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	-	-	-	-
2024-03-31	-	-	-	-
2023-03-31	£1,065,319	£1,185,028	£1,680,100	50
2022-03-31	£1,148,981	£1,434,126	£1,799,809	49
2021-03-31	£1,164,805	£1,471,029	£2,084,954	63
2020-03-31	£1,745,082	£2,095,644	£2,391,178	100
2019-03-31	£2,983,686	£3,389,514	£2,741,740	151

## Trustees

Name	Role	Appointed
David Lovenbury		2019-11-25
Douglas Reid		2024-05-23
Dr Andrew Fairbairn		2021-05-25
Jeanette Scott		2021-06-29
Kamaljit Sidhu		2023-05-01
Lionel Roderic Joyce		2021-03-31
William Wilson		2023-09-26

**DEMENTIA MATTERS**

England & Wales - Charity number 1045517

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# Accounts

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Charity registration number 1045517

Company registration number 02980817 (England and Wales)

**DEMENTIA MATTERS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# DEMENTIA MATTERS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	L J Ali, Vice Chair D Lovenbury L R Joyce, Chair A F Fairbairn J Scott K Sidhu W Wilson	(Appointed 25 July 2023) (Appointed 26 September 2023)
<b>Charity number</b>	1045517	
<b>Company number</b>	02980817	
<b>Registered office</b>	The Bradbury Centre Darrell Street Brunswick Village Newcastle upon Tyne NE13 7DS	
<b>Auditor</b>	Sumer Auditco Limited Unit 2, Gosforth Park Avenue Newcastle upon Tyne NE12 8EG	
<b>Bankers</b>	Barclays Bank PLC Leicester Leicestershire LE87 2BB	
<b>Solicitors</b>	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX	

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# DEMENTIA MATTERS

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# DEMENTIA MATTERS

## CHAIRMAN'S STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2023

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Our priority and the purpose for which we exist remains helping people living with dementia (and similar conditions), their families and carers.

Last year we acknowledged the sad loss of our client and dear friend, Dr Jo Wilson who sadly died in 2023. The Charity was extremely proud and privileged to be able to care for Jo and support her husband Bill in her final days as well as playing a part in the well documented and received documentary produced by the BBC. We remain very saddened about the desperate struggle Bill had and many other families have trying to get access to care and support for a loved one living with dementia. We are committed to ensuring Jo's legacy lives on and will continue to work with Bill to ensure greater awareness and responsiveness for those whose lives are affected by this cruel and awful disease we call dementia. As part of our joint commitment, I was delighted to welcome Bill joining us as a Trustee during 2023.

FY 22/23 unfortunately remained overshadowed by financial pressures and the laws and regulations governing the care sector. The recently published analysis (Jan 2024) carried out by Care England and hft summarise well, the challenges that we have continued to grapple with and it is a huge credit to all concerned that we remain a functioning a viable organisation. Care England reports;

- An adult social care sector engulfed in a sustained state of crisis
- Little respite from the fundamental financial and workforce pressures faced by the sector for many years
- 71% of care providers surveyed in deficit or experiencing a decrease in surplus in 2023
- Vacancy rates alarmingly high
- 2 in 5 providers considering taking steps to shutdown

#### **Year of financial survival**

FY22/23 was for the Board and CEO another year of financial survival whilst also witnessing the beginning of some green shoots as the charity began to reset and lay firmer foundations from which to move forward.

Our CEO Bev had to work incredibly hard to ensure efficiencies that did not impact on front line services or compromise the quality of care provided at the same time as securing some much-needed funding including a significant donation to allow us to re-establish the dementia advice service and a specialist dementia nurse post.

I would personally, like to thank each and every one of our current and past colleagues, trustees, supporters and advisors who have helped the Charity and the Board of Trustees and the Executive Team. Without your support, dedication, and leadership the Charity would not be where is today.

The continued underfunding and growing demand have resulted in unprecedented challenges for commissioners and providers alike. During the year we were hopeful that the Government would come forward with a plan to solve the problems of social care. Whilst they have identified huge extra financing this will go first to the NHS and it would be bold to assume sufficient funding will be distributed into social care, yet the NHS backlog is unlikely to be adequately resolved without tackling the pressures facing adult social care at the same time.

Alongside the necessary reforms and funding, much is yet to be done to improve the challenges associated with the care workforce regrading pay, training and development. The social care system continues to be significantly reliant on the contribution of unpaid carers providing vital support and the pandemic has highlighted this even more so and we will seek to increase our role in providing much needed relief and support via our day services and respite care and also directly to carers and their families.

We have made good steady progress via our CEO in developing relationships with other providers across the health and care sector locally and we see this continuing as a priority going forward. The ongoing restructuring of the NHS creates opportunities to play a greater role in the local place-based planning and provision alongside our partners in the statutory and non-statutory sectors.

# DEMENTIA MATTERS

## CHAIRMAN'S STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Our Priorities

- Provide the best residential and day care sector services for people with dementia
- Improve and expand our home treatment services
- Secure major funding and income streams for 2024/25 and onwards
- Implement a new Fundraising & Income Generation three-year strategic plan
- Explore the possibility of providing advocacy
- Explore the possibility of acting to relieve poverty
- Re-establish our dementia advice service
- Increase our bed capacity in residential services
- Increase day service provision
- Review of estates/premises utilisation

### Thanks to

1. Our service users who make our work so rewarding
2. The friends and relatives of our service users who have chosen to use our services
3. Our volunteers — who make such a difference to the quality of services we offer
4. Our Charitable Funders
5. Newcastle City Council, North Tyneside Council, Northumberland County Council
6. Primary Care and other agencies who refer service users to us
7. Newcastle University
8. Our colleagues
9. Our CEO Bev Reid
10. The trustees who give so freely of their time

**On behalf our Chair - Vice Chair Lee J Ali**

Date: 17 May 2024

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association dated 18 July 2012, the Companies Act 2006 and "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 (FRS 102)" (effective 1 January 2019).

### Objectives and activities

The charitable objects are:

- the relief of persons who are in need as a result of dementia or other degenerative neurological disorders, acquired brain injury, mental health issues, learning, sensory or other problems arising from ageing, illness or disease;
- the provision of advocacy to assist such persons to obtain access to their full rights and privileges as citizens;
- the advancement of education amongst carers and the general public regarding dementia and other issues referred to in clause a) above.

In order to achieve the objectives, the charity provides home care, supported living, residential care, respite care, day services and advice and support for people with dementia and their families currently in Newcastle upon Tyne, North Tyneside and Northumberland.

### Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### Achievements and performance

The achievements and performance are detailed within the Chair's report on page 2.

### Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

### Financial review

#### Financial and risk management objectives and policies

As a registered charity, the financial objectives of Dementia Matters are:

- To be financially stable at all times and to maintain sufficient reserves to achieve this.
- To be managed professionally and prudently in line with policies agreed by the Board of Trustees.
- To generate operating surpluses and to re-invest these towards the achievement of our charitable objectives.
- To control expenditure and operate efficiently.
- To monitor, control and minimise all financial and other risks.

#### Financial Risk Management Policy

Internal financial controls are regularly reviewed in line with guidelines set by the Charity Commission. This is the responsibility of the Finance and Audit Committee which meets bi-monthly and reports directly to the board of Trustees.

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### **Going concern**

In reviewing the financial statement for YE 31st March 23, there has been an improvement in the charity's current asset position which has improved from £514,838 to £684,948.

In line with the above, Cash at Bank at 31 March 2023 was £336,521, having increased from £316,833 in the prior year. The charity is showing net current liabilities of £284,005 this year (£160,641 current assets last year) which is due to reclassification of the Ortus loan as due within one year, this loan was repaid in full in May 2023.

The charity's performance over the past couple of years has reduced the Net Assets as it continues to fund, support and deliver exceptional levels of care and support to service users and their loved ones without compromising the quality of care.

Within the Statement of Financial Activities, the charity reports an overall deficit of £119,709 for the year to 31 March 2023, which is a substantial improvement over the 2022 deficit of £285,145. Given the extenuating circumstances the charity has faced against Covid-19 and the ever-reducing funding envelope for the care services provided, the board of trustees are satisfied that the recovery and stabilisation plans developed by the Executive Leadership are well advanced.

The CEO and her Team have been continuing to work on repositioning the charity's service offering, to ensure that future surpluses are achieved. Further to the increase in bed capacity in 22/23 a remodelling exercise has also been carried out on the Charity's costs resulting in several actions including increasing charges for residential and respite serviced. Work is currently underway with re costing the residential service for 23/24.

Significant work has continued reviewing all commercial contracts and assessing value for money. This has resulted in cost reductions, improved service provision and services no longer required being stopped. The charity reviewed all energy costs pre the turbulent energy market increases and is in a fortunate position of having escaped the catastrophic impact experienced by many since then.

The CEO has also made significant progress in developing strategic partnerships both in the NHS and also the commercial sector which are resulting in positive and productive outcomes including funding to establish a specialist Dementia Nurse role, being nominated charity of the year (2024) with several large commercial organisations and increasing the contribution from volunteer time.

The CBILs loan has continued to be repaid and the organisation repaid in full the £300,000 loan taken out in 2021/22. The charity is now well positioned for the long term with some exciting new partnerships, initiatives, and developments well underway.

The trustees have conducted an in-depth review of the current and forecasted standing of the charity's financial position as well any sensitivities to potential systematic risk as experienced during the Covid-19 pandemic for the 12 months ahead. In these reviews the P&L forecasts demonstrate that the charity's repositioned service offering should return the charity back to close to breakeven, with potential for surplus within the next 12 months to 31st March 25. This combined with the cash forecasts with excess cash surplus due to some significant new initiatives give the trustees confidence that the charity will continue as a going concern for at least the next 12 months from the date of executing these financial statements.

### **Investment policy and objectives**

The charity invests surplus funds in interest-bearing accounts with major UK banks and building societies to minimise risk. During the year funds were held with Barclays, Bank of Scotland and Nationwide Building Society. The funds held in the year returned on average less than 1% APR, reflecting the prudent investment policy and continued low UK interest rates. The investment policy is under continual review.

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of three months which would equate to holding approximately £400,000 to £500,000 in free reserves.

At the year end the charity had no free reserves, as in the prior year. The trustees have recognised another poor result this year and are looking at ways to improve this position.

### Major risks and management of those risks

The Trustees understand the importance of assessing major risks to which Dementia Matters is exposed. There are appropriate systems, controls and procedures in place to minimise and mitigate those risks.

The following major risks to which Dementia Matters is exposed are reviewed monthly by the SMT and annually as part of a review of risk processes and policies:

- Finance (fraud, insufficient income, exceptional costs)
- Governance (Board effectiveness, recruitment or loss of Trustees and management) External/political (government policy changes)
- Quality & Reputation (breach of law or regulations, adverse publicity)
- Service delivery (loss of contracts)
- Growth strategy (failure to achieve long term objectives)

Dementia Matters has reviewed its organisational risk management and assessment policies and procedures.

### Principle risks and uncertainties

Dementia Matters operates within a highly regulated environment, with the majority of its income derived from the provision of services commissioned by a small number of public sector funders. As such, the principle risks and uncertainties faced by Dementia Matters are:

- Financial constraints placed on all care providers by public sector commissioners, as they in turn face financial cutbacks. This is a challenge faced throughout the care sector and is by no means unique to Dementia Matters.
- Changes in legislation affecting charities and the care sector, including additional compliance requirements.
- Failure to meet the requirements of the Care Quality Commission, resulting in the potential loss of registration and inability to provide services.
- Changes in legislation affecting businesses in general, such as pension auto-enrolment and changes to the National Living Wage. These lead to increases in our operating costs and again are not unique to Dementia Matters.

### Objectives and policies

The charity's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

### Cash flow risk

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

### Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

### Plans for future periods

#### Aims and key objectives for future periods

There is no question that the ongoing impact of a pandemic and all that it entailed and now rising costs and cost of living pressures have had a devastating impact on Dementia Matters. We have continued to deliver our services throughout, consistently putting our users and carers first whilst ensuring the safety and wellbeing of our staff. Our focus now remains heavily on the recovery and stability of Dementia Matters and ensuring its future viability. The need for us to have a robust strategic plan (including Fundraising & Income Generation) in order to achieve this, is essential.

Demand for our services will continue to increase and there continues to be significant unmet need particularly around support for carers and crisis management. As a collaborative organisation we will continue to identify opportunities which are conducive to supporting positive working relationships with organisations whose aims also align with those of Dementia Matters.

Our priorities for the months ahead include;

- Creating additional capacity in our residential service
- Developing more accessible respite care (planned and emergency)
- Expansion of day services
- Establish a dementia advice service
- Retain and develop our staff
- Review and rationalise use of our estate

We hope to preserve our organisation's journey, meaningful work and impact the legacy challenges we inherited. We remain pragmatic about the external income landscape and the pressures funders are under to support current grantees therefore whilst we remain optimistic, we realise there is a chance we may not be successful in all of our approaches.

### Structure, governance and management

#### Nature of governing document

Dementia Matters is a registered charity and a company Limited by Guarantee and governed by its Memorandum and Articles of Association dated 18 July 2012. The charitable company is managed by Trustees with expertise relevant to the requirements of the charity. The Trustees meet bi-monthly to monitor performance, agree resource allocation, identify and agree solutions to problems and respond to any opportunities that arise. The Chief Executive meets regularly with the Chair of Trustees to discuss performance.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

L J Ali, Vice Chair

P J Bell

(Resigned 13 December 2022)

M Donnan

(Resigned 16 December 2022)

D Lovenbury

L R Joyce, Chair

A F Fairbairn

J Scott

K Sidhu

(Appointed 25 July 2023)

W Wilson

(Appointed 26 September 2023)

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### **Recruitment and appointment of trustees**

The election of Trustees and the membership is governed by the Articles of Association of the charitable company. All our members are currently Trustees and new members are appointed by Trustee approval only. Potential Trustees are invited to attend up to three meetings as a way to get to know the charitable company before formal induction takes place. The Trustees bring with them expertise in healthcare, marketing, administration, general management, finance, social care or were carers or family members of people with dementia.

A skills review of the Board is currently underway and will inform the organisation of any deficiencies regarding the makeup of the Board moving forwards.

### **Organisational structure**

The Trustees have the ultimate responsibility for establishing the strategic direction and corporate objectives of the charitable company with responsibility for day-to-day management and delivery of the corporate objectives delegated to the Chief Executive, B Reid. The Chief Executive is assisted by a senior management team consisting of the Head of Services, Head of Finance, Head of HR & Training and Head of Quality. The Chief Executive meets with the Chair of Trustees regularly.

Committees of Trustees are Finance and Audit, Care and Colleagues, and Risk. An appropriate Trustee has been assigned as Chair of each Committee.

### **Relationships with related parties**

Dementia Matters is a specialist provider of care for people with dementia and other degenerative neurological disorders. Services are commissioned by Adult Social Services departments within local councils and the local NHS CCGs. The charity enjoys good relationships with other local and national partners and with the Department of Health. In order to deliver on our objectives over the coming years, further relationships will be delivered with:

- New area Local Authority and NHS Commissioners
- Housing Associations
- Building Development specialists
- Academic Institutions
- Like minded Charities
- New funders and grant awarding trusts
- Academic Health Science Networks and Technology Industry
- NHS providers

### **Key Management Personnel**

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day-to-day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Dementia Matters for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

In accordance with the company's articles, a resolution proposing that Sumer Auditco Limited be reappointed as auditor of the company will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

**L J Ali, Vice Chair  
Trustee**

17 May 2024

# DEMENTIA MATTERS

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEMENTIA MATTERS

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### Opinion

We have audited the financial statements of Dementia Matters (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# DEMENTIA MATTERS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DEMENTIA MATTERS

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# DEMENTIA MATTERS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DEMENTIA MATTERS

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### **Capability of the audit in detecting irregularities, including fraud**

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr Stephen Slater (Senior Statutory Auditor)**  
**for and on behalf of Sumer Auditco Limited**  
**Statutory Auditor**  
**Unit 2, Gosforth Park Avenue**  
**Newcastle upon Tyne**  
**NE12 8EG**

Date: 17 May 2024

# DEMENTIA MATTERS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
<b>Income from:</b>					
Donations and legacies	3	241,580	23,907	265,487	262,742
Charitable activities	4	799,646	-	799,646	886,239
Investments	5	186	-	186	-
<b>Total income</b>		<u>1,041,412</u>	<u>23,907</u>	<u>1,065,319</u>	<u>1,148,981</u>
<b>Expenditure on:</b>					
Raising funds	6	1,936	2,150	4,086	1,263
Charitable activities	7	1,117,111	26,282	1,143,393	1,374,186
Other expenditure	10	37,549	-	37,549	58,677
Total expenditure		<u>1,156,596</u>	<u>28,432</u>	<u>1,185,028</u>	<u>1,434,126</u>
<b>Net expenditure and movement in funds</b>		<u>(115,184)</u>	<u>(4,525)</u>	<u>(119,709)</u>	<u>(285,145)</u>
<b>Reconciliation of funds:</b>					
Fund balances at 1 April 2022		<u>1,782,619</u>	<u>17,190</u>	<u>1,799,809</u>	<u>2,084,954</u>
<b>Fund balances at 31 March 2023</b>		<u><u>1,667,435</u></u>	<u><u>12,665</u></u>	<u><u>1,680,100</u></u>	<u><u>1,799,809</u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# DEMENTIA MATTERS

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

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Prior financial year		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
<b>Income from:</b>				
Donations and legacies	3	196,068	66,674	262,742
Charitable activities	4	886,239	-	886,239
Total income		1,082,307	66,674	1,148,981
<b>Expenditure on:</b>				
Raising funds	6	1,263	-	1,263
Charitable activities	7	1,246,139	128,047	1,374,186
Other expenditure	10	58,677	-	58,677
<b>Total expenditure</b>		1,306,079	128,047	1,434,126
<b>Net income and movement in funds</b>		(223,772)	(61,373)	(285,145)
<b>Reconciliation of funds:</b>				
Fund balances at 1 April 2021		2,006,391	78,563	2,084,954
<b>Fund balances at 31 March 2022</b>		1,782,619	17,190	1,799,809

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# DEMENTIA MATTERS

## BALANCE SHEET

AS AT 31 MARCH 2023

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		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		2,070,438		2,142,798
<b>Current assets</b>					
Debtors	15	348,427		198,005	
Cash at bank and in hand		336,521		316,833	
		<u>684,948</u>		<u>514,838</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(968,953)</u>		<u>(354,197)</u>	
Net current (liabilities)/assets			<u>(284,005)</u>		<u>160,641</u>
<b>Total assets less current liabilities</b>			1,786,433		2,303,439
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(106,333)</u>		<u>(503,630)</u>
<b>Net assets</b>			<u>1,680,100</u>		<u>1,799,809</u>
<b>The funds of the charity</b>					
Restricted income funds	22		12,665		17,190
Unrestricted funds			<u>1,667,435</u>		<u>1,782,619</u>
			<u>1,680,100</u>		<u>1,799,809</u>

The financial statements were approved by the trustees on 17 May 2024

**L J Ali, Vice Chair  
Trustee**

Company registration number 02980817 (England and Wales)

# DEMENTIA MATTERS

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	25		72,070		(252,933)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(8,568)		(10,715)	
Investment income received		186		-	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(8,382)		(10,715)
<b>Financing activities</b>					
Repayment of bank loans		(44,000)		327,630	
		<u>          </u>		<u>          </u>	
<b>Net cash (used in)/generated from financing activities</b>			(44,000)		327,630
			<u>          </u>		<u>          </u>
<b>Net increase in cash and cash equivalents</b>			19,688		63,982
Cash and cash equivalents at beginning of year			316,833		252,851
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>336,521</u>		<u>316,833</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Charity information

Dementia Matters is a private company limited by guarantee incorporated in England and Wales. The registered office is The Bradbury Centre, Darrell Street, Brunswick Village, Newcastle upon Tyne, NE13 7DS.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The Board has concluded that the going concern assumption is appropriate in preparing these financial statements.

The trustees are confident that the current cash levels combined with the continued support of major creditors mitigate the risk of going concern uncertainty and will ensure that the charity is able to continue to operate for at least twelve months from the approval of these financial statements. As such the financial statements have been prepared on a going concern basis.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

---

### 1 Accounting policies

(Continued)

Revenue grants and contributions received and receivable in respect of specific project expenditure are credited to deferred income and recognised in the income and expenditure account in the same period as the related expenditure.

The funding is received in accordance with the provisions and conditions as specified in the offer letters which regulate the way in which such funds may be spent.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Cost of raising funds are incurred in attracting voluntary income.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Furniture and equipment	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

---

### 1 Accounting policies

(Continued)

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Legal status of the charity

The company is limited by guarantee and has no share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 2 Critical accounting estimates and judgements

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

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

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices. The carrying amount of tangible fixed assets at the reporting end date was £2,070,438 (2022: £2,142,798).

### 3 Donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	232,080	-	232,080	128,076	128,076
Grants	9,500	23,907	33,407	67,992	134,666
	<u>241,580</u>	<u>23,907</u>	<u>265,487</u>	<u>66,674</u>	<u>262,742</u>
<b>Grants receivable for core activities</b>					
Coronavirus Job Retention Scheme	-	-	-	9,558	9,558
Grants from other charities	9,500	23,907	33,407	66,674	125,108
	<u>9,500</u>	<u>23,907</u>	<u>33,407</u>	<u>66,674</u>	<u>134,666</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Home Support	186,053	326,660
Day Centres	307,698	321,085
Residential Respite Care	275,559	217,140
Other income	30,336	21,354
	<u>799,646</u>	<u>886,239</u>

### 5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	186	-
	<u>186</u>	<u>-</u>

### 6 Raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Fundraising and publicity</u>				
Advertising	1,936	2,150	4,086	1,263
	<u>1,936</u>	<u>2,150</u>	<u>4,086</u>	<u>1,263</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 7 Expenditure on charitable activities

	2023 £	2022 £
<b>Direct costs</b>		
Staff costs	514,065	549,905
Relief of persons with Dementia	91,322	83,198
	<u>605,387</u>	<u>633,103</u>
<b>Share of support and governance costs (see note 8)</b>		
Support	517,814	726,076
Governance	20,192	15,007
	<u>1,143,393</u>	<u>1,374,186</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,117,111	1,246,139
Restricted funds	26,282	128,047
	<u>1,143,393</u>	<u>1,374,186</u>

### 8 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	221,594	-	221,594	300,825	-	300,825
Depreciation	65,554	-	65,554	71,140	-	71,140
Staff travel	8,759	-	8,759	8,308	-	8,308
Premises costs	28,422	-	28,422	26,647	-	26,647
Light and heat	31,828	-	31,828	39,511	-	39,511
Insurance	31,056	-	31,056	34,663	-	34,663
Communications and IT	26,398	-	26,398	60,912	-	60,912
Printing postage and stationary	3,576	-	3,576	6,337	-	6,337
Repairs and renewals	22,842	-	22,842	22,175	-	22,175
Recruitment fees	1,142	-	1,142	2,565	-	2,565
Legal and professional	77,921	-	77,921	147,762	-	147,762
Other costs	(1,278)	-	(1,278)	5,231	-	5,231
Audit fees	-	6,600	6,600	-	6,600	6,600
Accountancy	-	13,592	13,592	-	8,407	8,407
	<u>517,814</u>	<u>20,192</u>	<u>538,006</u>	<u>726,076</u>	<u>15,007</u>	<u>741,083</u>
Analysed between						
Charitable activities	<u>517,814</u>	<u>20,192</u>	<u>538,006</u>	<u>726,076</u>	<u>15,007</u>	<u>741,083</u>

Governance costs includes payments to the auditors of £6,600 (2022: £6,600) for audit fees.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 9 Auditor's remuneration

Fees payable to the charity's auditor and associates:	<b>2023</b>	<b>2022</b>
	£	£
<b>For audit services</b>		
Audit of the financial statements of the charity	6,600	6,600
	<u>          </u>	<u>          </u>
<b>For other services</b>		
All other non-audit services	13,592	8,407
	<u>          </u>	<u>          </u>

### 10 Other expenditure

	<b>Unrestricted funds 2023 £</b>	<b>Unrestricted funds 2022 £</b>
Net loss on disposal of tangible fixed assets	15,374	-
HMRC interest	14,616	-
Financing costs	7,559	58,677
	<u>          </u>	<u>          </u>
	37,549	58,677
	<u>          </u>	<u>          </u>

### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 12 Employees

The average monthly number of employees during the year was:

	<b>2023 Number</b>	<b>2022 Number</b>
	50	49
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2023 £</b>	<b>2022 £</b>
Wages and salaries	682,157	799,133
Social security costs	43,327	40,672
Other pension costs	10,175	10,925
	<u>          </u>	<u>          </u>
	735,659	850,730
	<u>          </u>	<u>          </u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 12 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£70,001 to £80,000	1	-

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	168,922	184,369

### 13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 14 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2022	3,033,514	377,568	93,865	3,504,947
Additions	-	8,568	-	8,568
Disposals	(16,439)	(162,990)	(3,000)	(182,429)
At 31 March 2023	3,017,075	223,146	90,865	3,331,086
<b>Depreciation and impairment</b>				
At 1 April 2022	897,983	371,301	92,865	1,362,149
Depreciation charged in the year	60,670	4,134	750	65,554
Eliminated in respect of disposals	(1,315)	(162,990)	(2,750)	(167,055)
At 31 March 2023	957,338	212,445	90,865	1,260,648
<b>Carrying amount</b>				
At 31 March 2023	2,059,737	10,701	-	2,070,438
At 31 March 2022	2,135,531	6,267	1,000	2,142,798

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 15 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	177,591	135,377
Other debtors	-	7,048
Prepayments and accrued income	170,836	55,580
	<u>348,427</u>	<u>198,005</u>

### 16 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	18	397,297	44,000
Other taxation and social security		283,276	133,945
Deferred income	19	21,507	4,821
Trade creditors		59,194	59,648
Other creditors		140,889	37,000
Accruals		66,790	74,783
		<u>968,953</u>	<u>354,197</u>

### 17 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	18	106,333	503,630
		<u>106,333</u>	<u>503,630</u>

### 18 Loans and overdrafts

	2023	2022
	£	£
Bank loans	503,630	547,630
	<u>503,630</u>	<u>547,630</u>
Payable within one year	397,297	44,000
Payable after one year	106,333	503,630
	<u>503,630</u>	<u>547,630</u>

Bank loans of £503,630 (2022: £547,630) are secured against the assets of the charity.

CIBL loan is repayable over 60 monthly instalments at a margin of 3.19% over base rate, with an interest free period of 12 months after drawdown.

The Ortus bank loan is repayable at the end of the 18 month period or at any point after 3 months. Interest is charged at 0.79% per calendar month for the term of the loan.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 19 Deferred income

	2023 £	2022 £
Other deferred income	21,507	4,821

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	21,507	4,821
Movements in the year:		
Deferred income at 1 April 2022	4,821	38,184
Released from previous periods	(4,821)	(38,184)
Resources deferred in the year	21,507	4,821
Deferred income at 31 March 2023	21,507	4,821

### 20 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to SOFA in respect of defined contribution schemes was £10,175 (2022: £10,925).

Contributions totalling £1,282 (2022: £641) were payable to the scheme at the end of the year and are included in creditors.

### 21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Property	2,135,531	-	(75,794)	-	2,059,737
Fixed Assets	7,267	-	(5,134)	8,568	10,701
General funds	(360,179)	1,041,412	(1,075,668)	(8,568)	(403,003)
	1,782,619	1,041,412	(1,156,596)	-	1,667,435

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 21 Unrestricted funds

(Continued)

Previous year:	At 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2022 £
Property	2,186,675	-	(60,576)	9,432	2,135,531
Fixed Assets	16,548	-	(10,564)	1,283	7,267
General funds	(196,832)	1,082,307	(1,234,939)	(10,715)	(360,179)
	<u>2,006,391</u>	<u>1,082,307</u>	<u>(1,306,079)</u>	<u>-</u>	<u>1,782,619</u>

#### Property Reserve

This reserve reflects the cost expended in relation to the Bradbury Centre and forecasted expenditure on the property in subsequent year. Depreciation on land and buildings is charged against this reserve.

#### Fixed Asset Reserve

This reserve includes all other fixed assets maintained in the balance sheet as the reserve tied up in these items are not generally available as free reserves. Depreciation on these assets is charged against this reserve.

### 22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
National Lottery Awards for All	8,670	-	-	8,670
Sport England	8,520	-	(8,520)	-
NTC National Living Wage	-	3,592	(3,592)	-
Mental Health Concern	-	500	(500)	-
NEA Smart Meter	-	9,827	(9,827)	-
The Dickon Trust & Prime Trust	-	9,988	(5,993)	3,995
	<u>17,190</u>	<u>23,907</u>	<u>(28,432)</u>	<u>12,665</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 22 Restricted funds (Continued)

Previous year:	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
Northumberland Dementia Project	75,563	27,500	(103,063)	-
Outreach centres	1,500	-	(1,500)	-
Rothley Trust	1,500	-	(1,500)	-
Pargiter Trust	-	9,157	(9,157)	-
The Ringtons "Tea Growing Community" Charitable Trust	-	4,590	(4,590)	-
National Lottery Award for All	-	8,670	-	8,670
Sports England	-	8,520	-	8,520
NCC Infection Control	-	7,524	(7,524)	-
Community Chest	-	713	(713)	-
	<u>78,563</u>	<u>66,674</u>	<u>(128,047)</u>	<u>17,190</u>

#### National Lottery Awards for All

Grant received for a project named Growing Support. This aims to deliver specific activities at our two sites, engaging Dementia sufferers and their support network which is conducive to reintegrate them into their peer support network and wider society following the devastating impact that lockdown restrictions have had on our service users.

#### Sports England

Grant received for a project named Strive to Thrive. In celebration of the Queens Jubilee we will deliver weekly classes of chair based and appropriate standing or water based exercises to maintain physical movement for our day centre users and residential patients. This project will also be open to the wider support networks made up of family and friends of Dementia patients as well as fully open to the local community where our care centres are situated.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 23 Analysis of net assets between funds

#### Current financial year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 March 2023 are represented by:			
Tangible assets	2,070,438	-	2,070,438
Current assets/(liabilities)	(296,670)	12,665	(284,005)
Long term liabilities	(106,333)	-	(106,333)
	<u>1,667,435</u>	<u>12,665</u>	<u>1,680,100</u>

#### Prior financial year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	2,142,798	-	2,142,798
Current assets/(liabilities)	143,451	17,190	160,641
Long term liabilities	(503,630)	-	(503,630)
	<u>1,782,619</u>	<u>17,190</u>	<u>1,799,809</u>

### 24 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

### 25 Cash generated from operations

	2023 £	2022 £
Deficit for the year	(119,709)	(285,145)
Adjustments for:		
Investment income recognised in statement of financial activities	(186)	-
Loss on disposal of tangible fixed assets	15,374	-
Depreciation and impairment of tangible fixed assets	65,554	71,140
Movements in working capital:		
(Increase) in debtors	(150,422)	(98,550)
Increase in creditors	244,773	92,985
Increase/(decrease) in deferred income	16,686	(33,363)
<b>Cash generated from/(absorbed by) operations</b>	<u>72,070</u>	<u>(252,933)</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 26 Analysis of changes in net (debt)/funds Current financial year

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	316,833	19,688	336,521
Loans falling due within one year	(44,000)	(353,297)	(397,297)
Loans falling due after more than one year	(503,630)	397,297	(106,333)
	<u>(230,797)</u>	<u>63,688</u>	<u>(167,109)</u>

### Previous financial year

	At 1 April 2021 £	Cash flows £	At 1 April 2022 £
Cash at bank and in hand	118,626	198,207	316,833
Loans falling due within one year	(25,667)	(18,333)	(44,000)
Loans falling due after more than one year	(194,333)	(309,297)	(503,630)
	<u>(101,374)</u>	<u>(129,423)</u>	<u>(230,797)</u>

**DEMENTIA MATTERS**

England & Wales - Charity number 1045517

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# Accounts

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Charity registration number 1045517

Company registration number 02980817 (England and Wales)

**DEMENTIA MATTERS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# DEMENTIA MATTERS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	L J Ali, Vice Chair D Lovenbury L R Joyce, Chair A F Fairbairn J Scott	(Appointed 25 May 2021) (Appointed 29 June 2021)
<b>Charity number</b>	1045517	
<b>Company number</b>	02980817	
<b>Registered office</b>	The Bradbury Centre Darrell Street Brunswick Village Newcastle upon Tyne NE13 7DS	
<b>Auditor</b>	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG	
<b>Bankers</b>	Barclays Bank PLC Leicester Leicestershire LE87 2BB	
<b>Solicitors</b>	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX	

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# DEMENTIA MATTERS

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# DEMENTIA MATTERS

## CHAIRMAN'S STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2022

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Our priority and the purpose for which we exist remains helping people living with dementia (and similar conditions), their families and carers.

I wish to firstly acknowledge and remember our client and dear friend, Dr Jo Wilson who sadly died earlier this year. The Charity alongside was extremely proud and privileged to be able to care for Jo in her final days. We were also very saddened about the desperate struggle Bill had and many other families have trying to get access to care and support for a loved one living with dementia. We are committed to ensuring Jo's legacy lives on and will continue to work with Bill to ensure greater awareness and responsiveness for those whose lives are affected by this cruel and awful disease we call dementia.

2021/22 unfortunately remained overshadowed in many ways by the pandemic, the laws and regulations governing nursing homes to reduce the risks associated with these conditions and the impact this had on relatives and staff. I cannot do better than to quote from our earlier report;

"First and foremost, this has been the second year of the pandemic causing immense problems and distress to older people. Our priority and the purpose for which we exist is to help people with dementia (and similar conditions) and their relatives. The Board is very aware of the pain and the distress that has been caused to relatives and to our clients. The loss of a day service or a home treatment package which is so vital in helping friends and relatives to ensure a decent quality of life for a loved one, can be overwhelming. The times when our residential service has gone into lock down and relatives have not been able to visit is very upsetting.

The Board would like to express our deepest sympathies to all who were not able to receive the service they needed"

#### **Year of financial survival**

21/22 was for the Board and CEO the year of financial survival. The charity continued to suffer very severely financially from the effects of the pandemic with the numbers of day service clients reducing by more than half. The Charity has survived by using the Government's loan scheme and by additional borrowing. This was essential but will leave a legacy to be redeemed over time in the financial years 22/23 and 23/24

Our CEO Bev had to work incredibly hard to ensure efficiencies that did not impact on front line services or compromise the quality of care provided.

That we have survived and can see a way our books can once again balance with a prudent reserve in the financial year 23/24 is a real tribute to the whole organization.

I would personally, like to thank each and every one of our current and past colleagues, trustees, supporters and advisors who have helped the Charity during Covid and the changes to Board of Trustees and the Executive Team. Without your support, dedication, and leadership the Charity would not be where it is today.

The continued underfunding and growing demand have resulted in unprecedented challenges for commissioners and providers alike. During the year we were hopeful that the Government would come forward with a plan to solve the problems of social care. Whilst they have identified huge extra financing this will go first to the NHS and it would be bold to assume sufficient funding will be distributed into social care, yet the NHS backlog is unlikely to be adequately resolved without tackling the pressures facing adult social care at the same time.

Alongside the necessary reforms and funding, much is yet to be done to improve the challenges associated with the care workforce regrading pay, training and development.

The social care system continues to be significantly reliant on the contribution of unpaid carers providing vital support and the pandemic has highlighted this even more so and we will seek to increase our role in providing much needed relief and support via our day services and respite care and also directly to carers and their families.

We have made good steady progress via our CEO in developing relationships with other providers across the health and care sector locally and we see this as a priority going forward. The current restructuring of the NHS creates opportunities to play a greater role in the local place based planning and provision alongside our partners in the statutory and non statutory sectors.

# DEMENTIA MATTERS

## CHAIRMAN'S STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Our Priorities

- Provide the best residential and day care sector premises for people with dementia
- Improve and expand our home treatment services
- Secure major funding and income streams for 2023/24 and onwards
- Implement a new Fundraising & Income Generation three-year strategic plan
- Explore the possibility of providing advocacy
- Explore the possibility of acting to relieve poverty
- Re-establish our dementia advice service
- Increase our bed capacity in residential services

### Thanks to

1. Our service users who make our work so rewarding
2. The friends and relatives of our service users who have chosen to use our services
3. Our volunteers — who make such a difference to the quality of services we offer
4. Our Charitable Funders
5. Newcastle City Council, North Tyneside Council, Northumberland County Council and the associated CCGs who have contracted with us
6. Primary Care and other agencies who refer service users to us
7. Newcastle University and in particular Prof Louise Robinson who continues to work on issues close to our heart
8. Our staff
9. Our managers
10. Our CEO Bev Reid
11. The trustees who give so freely of their time

Lionel Joyce  
**Chairman**

Date: 31 March 2023

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

---

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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 (FRS 102)" (effective 1 January 2019).

### Objectives and activities

The charitable objects are:

- the relief of persons who are in need as a result of dementia or other degenerative neurological disorders, acquired brain injury, mental health issues, learning, sensory or other problems arising from ageing, illness or disease;
- the provision of advocacy to assist such persons to obtain access to their full rights and privileges as citizens;
- the advancement of education amongst carers and the general public regarding dementia and other issues referred to in clause a) above.

In order to achieve the objectives, the charity provides home care, supported living, residential care, respite care, day services and advice and support for people with dementia and their families currently in Newcastle upon Tyne, North Tyneside and Northumberland.

### Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### Achievements and performance

The achievements and performance are detailed within the Chair's report on page 2.

### Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

### Financial review

#### Financial and risk management objectives and policies

As a registered charity, the financial objectives of Dementia Matters are:

- To be financially stable at all times and to maintain sufficient reserves to achieve this.
- To be managed professionally and prudently in line with policies agreed by the Board of Trustees.
- To generate operating surpluses and to re-invest these towards the achievement of our charitable objectives.
- To control expenditure and operate efficiently.
- To monitor, control and minimise all financial and other risks.

#### Financial Risk Management Policy

Internal financial controls are regularly reviewed in line with guidelines set by the Charity Commission. This is the responsibility of the Finance and Audit Committee which meets monthly and reports directly to the Trustees.

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Going concern

In reviewing the financial statement for YE 31st March 22, there has been a significant improvement in the charity's current asset position which has improved from £76,064 to £160,641 which is more than a twofold increase year on year.

In line with the above, Cash at Bank at 31 March 2022 was £316,833, having increased from £252,851 in the prior year, due to the drawdown in March 2022 of a £300,000 loan. This loan provides significant additional financial liquidity support for any potential income and costs impacts in the year ahead, as the charity continues to battle past post Covid-19 impacts in the sectors the charity operates.

The charity's performance over the past couple of years has reduced the Net Assets as it continues to fund, support and deliver exceptional levels of care and support to service users and their loved ones without compromising the quality of care.

Within the Statement of Financial Activities, the charity reports a deficit of £285,145 for the year to 31 March 2022, which is a small but nevertheless a steady improvement from the 2021 deficit of £306,224. Given the extenuating circumstances the charity has faced against Covid-19 and the ever-reducing funding envelope for the care services provided, the board of trustee are satisfied that the recovery and stabilisation plans developed by the Executive Leadership are well advanced.

The CEO and her Team have been continuing to work on repositioning the charity's service offering, in order to ensure that future surpluses are achieved. Capacity was increased in the residential unit when two additional beds were opened in Q4, 22/23 and a remodelling exercise has also been carried out on the Charity's costs resulting in a number of actions including increasing charges for residential and respite services.

Significant work has been underway reviewing all commercial contracts and assessing value for money. This has resulted in cost reductions, improved service provision and services no longer required being stopped. The charity reviewed all energy costs pre the turbulent energy market increases and is in a fortunate position of having escaped the catastrophic impact experienced by many since then.

The CEO has made significant progress in developing strategic partnerships which are resulting in positive and productive outcomes including funding of £60,000 (to be awarded in Q1 23/24) to establish a specialist Dementia Nurse role. An experienced fundraising manager was also appointed during 2022 to ensure opportunities for grant funding are maximised and remains in post.

The CBILs loan has continued to be paid and some of the principal loan will be repaid early in 23/24 thereby reducing the monthly repayments going forwards. It is the organisations intention to repay the £300,000 loan taken out in 2021/22 in the early part of Q1 2023/2024 and discussions are currently underway with the lender on settlement figures. The charity is now well positioned for the long term with some exciting new partnerships, initiatives, and developments well underway.

The trustees have conducted an in-depth review of the current and forecasted standing of the charity's financial position as well any sensitivities to potential systematic risk as experienced during the Covid-19 pandemic for the 12 months ahead. In these reviews the P&L forecasts demonstrate that the charity's repositioned service offering should return the charity back to breakeven, with potential for surplus within the next 12 months to 31st March 24. This combined with the cash forecasts with excess cash surplus due to some significant new initiatives give the trustees confidence that the charity will continue as a going concern for at least the next 12 months from the date of executing these financial statements.

### Investment policy and objectives

The charity invests surplus funds in interest-bearing accounts with major UK banks and building societies to minimise risk. During the year funds were held with Barclays, Bank of Scotland and Nationwide Building Society. The funds held in the year returned on average less than 1% APR, reflecting the prudent investment policy and continued low UK interest rates. The investment policy is under continual review.

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of three months which would equate to holding approximately £400,000 to £500,000 in free reserves.

At the year end the charity had no free reserves, as in the prior year. The trustees have recognised another poor result this year and are looking at ways to improve this position.

### Major risks and management of those risks

The Trustees understand the importance of assessing major risks to which Dementia Matters is exposed. There are appropriate systems, controls and procedures in place to minimise and mitigate those risks.

The following major risks to which Dementia Matters is exposed are reviewed monthly by the SMT and annually as part of a review of risk processes and policies:

- Finance (fraud, insufficient income, exceptional costs)
- Governance (Board effectiveness, recruitment or loss of Trustees and management) External/political (government policy changes)
- Quality & Reputation (breach of law or regulations, adverse publicity)
- Service delivery (loss of contracts)
- Growth strategy (failure to achieve long term objectives)

Dementia Matters has reviewed its organisational risk management and assessment policies and procedures. The Head of Health & Safety and Risk Management is responsible for this process, supported by the senior management team and the Trustees.

### Principle risks and uncertainties

Dementia Matters operates within a highly regulated environment, with the majority of its income derived from the provision of services commissioned by a small number of public sector funders. As such, the principle risks and uncertainties faced by Dementia Matters are:

- Financial constraints placed on all care providers by public sector commissioners, as they in turn face financial cutbacks. This is a challenge faced throughout the care sector and is by no means unique to Dementia Matters.
- Changes in legislation affecting charities and the care sector, including additional compliance requirements.
- Failure to meet the requirements of the Care Quality Commission, resulting in the potential loss of registration and inability to provide services.
- Changes in legislation affecting businesses in general, such as pension auto-enrolment and changes to the National Living Wage. These lead to increases in our operating costs and again are not unique to Dementia Matters.

### Objectives and policies

The charity's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### **Cash flow risk**

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

### **Credit risk**

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

### **Plans for future periods**

#### **Aims and key objectives for future periods**

There is no question that the ongoing impact of a pandemic and all that it entailed had a devastating impact on Dementia Matters. We have continued to deliver our services throughout, consistently putting our users and carers first whilst ensuring the safety and wellbeing of our staff. Our focus now remains heavily on the recovery and stability of Dementia Matters and ensuring its future viability. The need for us to have a robust strategic plan (including Fundraising & Income Generation) in order to achieve this, is essential.

Demand for our services will continue to increase and there continues to be significant unmet need particularly around support for carers and crisis management. As a collaborative organisation we will continue to identify opportunities which are conducive to supporting positive working relationships with organisations whose aims also align with those of Dementia Matters.

Our priorities for the months ahead include;

- Creating additional capacity in our residential service
- Developing more accessible respite care (planned and emergency)
- Expansion of day services
- Establish a dementia advice service
- Retain and develop our staff

We hope to preserve our organisation's journey, meaningful work and impact the legacy challenges we inherited. We remain pragmatic about the external income landscape and the pressures funders are under to support current grantees therefore whilst we remain optimistic, we realise there is a chance we may not be successful in all of our approaches.

### **Structure, governance and management**

#### **Nature of governing document**

Dementia Matters is a registered charity and a company Limited by Guarantee and governed by its Memorandum and Articles of Association dated 18 July 2012. The charitable company is managed by Trustees with expertise relevant to the requirements of the charity. The Trustees meet bi-monthly to monitor performance, agree resource allocation, identify and agree solutions to problems and respond to any opportunities that arise. The Chief Executive meets regularly with the Chair of Trustees to discuss performance.

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

L J Ali, Vice Chair	
P J Bell	(Resigned 13 December 2022)
R Dougal	(Resigned 21 September 2021)
M Donnan	(Resigned 16 December 2022)
D Lovenbury	
K M Porter	(Resigned 14 June 2021)
L R Joyce, Chair	
A F Fairbairn	(Appointed 25 May 2021)
J Scott	(Appointed 29 June 2021)
R Ward	(Resigned 12 July 2021)

### Recruitment and appointment of trustees

The election of Trustees and the membership is governed by the Articles of Association of the charitable company. All our members are currently Trustees and new members are appointed by Trustee approval only. Potential Trustees are invited to attend up to three meetings as a way to get to know the charitable company before formal induction takes place. The Trustees bring with them expertise in healthcare, law, marketing, administration, general management, finance, social care or were carers or family members of people with dementia.

A skills review of the Board is currently underway and will inform the organisations of any deficiencies regarding the makeup of the Board moving forwards.

### Organisational structure

The Trustees have the ultimate responsibility for establishing the strategic direction and corporate objectives of the charitable company with responsibility for day-to-day management and delivery of the corporate objectives delegated to the Chief Executive. The Chief Executive is assisted by a senior management team consisting of the Head of Services, Head of Finance, Head of HR & Training and Head of Quality. The Chief Executive meets with the Chair of Trustees regularly.

Committees of Trustees are Finance and Audit, Care and Colleagues, and Risk. An appropriate Trustee has been assigned as Chair of each Committee.

### Relationships with related parties

Dementia Matters is a specialist provider of care for people with dementia and other degenerative neurological disorders. Services are commissioned by Adult Social Services departments within local councils and the local NHS CCGs. The charity enjoys good relationships with other local and national partners and with the Department of Health. In order to deliver on our objectives over the coming years, further relationships will be delivered with:

- New area Local Authority and NHS Commissioners
- Housing Associations
- Building Development specialists
- Academic Institutions
- Like minded Charities
- New funders and grant awarding trusts
- Academic Health Science Networks and Technology Industry

### Key Management Personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

# DEMENTIA MATTERS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Dementia Matters for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

In accordance with the company's articles, a resolution proposing that RMT Accountants & Business Advisors Ltd be reappointed as auditor of the company will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

L J Ali, Vice Chair  
**Trustee**

L R Joyce, Chair  
**Trustee**

31 March 2023

# DEMENTIA MATTERS

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEMENTIA MATTERS

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### Opinion

We have audited the financial statements of Dementia Matters (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2022 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.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# DEMENTIA MATTERS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DEMENTIA MATTERS

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# DEMENTIA MATTERS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DEMENTIA MATTERS

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### **Capability of the audit in detecting irregularities, including fraud**

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr Stephen Slater (Senior Statutory Auditor)**  
**for and on behalf of RMT Accountants & Business Advisors Ltd**  
**Statutory Auditor**  
**Gosforth Park Avenue**  
**Newcastle upon Tyne**  
**NE12 8EG**

Date: 31 March 2023

# DEMENTIA MATTERS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Current financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
<b>Income from:</b>					
Donations and legacies	3	196,068	66,674	262,742	169,292
Charitable activities	4	886,239	-	886,239	995,513
<b>Total income</b>		<u>1,082,307</u>	<u>66,674</u>	<u>1,148,981</u>	<u>1,164,805</u>
<b>Expenditure on:</b>					
Raising funds	5	1,263	-	1,263	1,404
Charitable activities	6	1,246,139	128,047	1,374,186	1,469,625
Other	8	58,677	-	58,677	-
<b>Total expenditure</b>		<u>1,306,079</u>	<u>128,047</u>	<u>1,434,126</u>	<u>1,471,029</u>
<b>Net expenditure for the year/ Net movement in funds</b>		(223,772)	(61,373)	(285,145)	(306,224)
Fund balances at 1 April 2021		<u>2,006,391</u>	<u>78,563</u>	<u>2,084,954</u>	<u>2,391,178</u>
<b>Fund balances at 31 March 2022</b>		<u><u>1,782,619</u></u>	<u><u>17,190</u></u>	<u><u>1,799,809</u></u>	<u><u>2,084,954</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# DEMENTIA MATTERS

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
<b>Income from:</b>				
Donations and legacies	3	169,292	-	169,292
Charitable activities	4	968,013	27,500	995,513
<b>Total income</b>		<u>1,137,305</u>	<u>27,500</u>	<u>1,164,805</u>
<b>Expenditure on:</b>				
Raising funds	5	1,404	-	1,404
Charitable activities	6	1,442,125	27,500	1,469,625
<b>Total expenditure</b>		<u>1,443,529</u>	<u>27,500</u>	<u>1,471,029</u>
<b>Net expenditure for the year/ Net movement in funds</b>		(306,224)	-	(306,224)
Fund balances at 1 April 2020		<u>2,312,615</u>	<u>78,563</u>	<u>2,391,178</u>
<b>Fund balances at 31 March 2021</b>		<u><u>2,006,391</u></u>	<u><u>78,563</u></u>	<u><u>2,084,954</u></u>

# DEMENTIA MATTERS

## BALANCE SHEET

AS AT 31 MARCH 2022

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	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		2,142,798		2,203,223
<b>Current assets</b>					
Debtors	12	198,005		99,455	
Cash at bank and in hand		316,833		252,851	
		<u>514,838</u>		<u>352,306</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(354,197)</u>		<u>(276,242)</u>	
Net current assets			160,641		76,064
<b>Total assets less current liabilities</b>			<u>2,303,439</u>		<u>2,279,287</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(503,630)</u>		<u>(194,333)</u>
<b>Net assets</b>			<u>1,799,809</u>		<u>2,084,954</u>
<b>Income funds</b>					
Restricted funds	19		17,190		78,563
Unrestricted funds			1,782,619		2,006,391
			<u>1,799,809</u>		<u>2,084,954</u>

The financial statements were approved by the Trustees on 31 March 2023

L R Joyce, Chair  
Trustee

Company registration number 02980817

# DEMENTIA MATTERS

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	23		(252,933)		(77,635)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(10,715)		(8,140)	
<b>Net cash used in investing activities</b>			(10,715)		(8,140)
<b>Financing activities</b>					
Repayment of bank loans		327,630		220,000	
<b>Net cash generated from financing activities</b>			327,630		220,000
<b>Net increase in cash and cash equivalents</b>			63,982		134,225
Cash and cash equivalents at beginning of year			252,851		118,626
<b>Cash and cash equivalents at end of year</b>			316,833		252,851

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# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

#### Charity information

Dementia Matters is a private company limited by guarantee incorporated in England and Wales. The registered office is The Bradbury Centre, Darrell Street, Brunswick Village, Newcastle upon Tyne, NE13 7DS.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. This includes taking into account the potential impact of COVID-19 to ensure that cashflow is positively managed and the impact to the charity's operations are mitigated. The Board has concluded that the going concern assumption is appropriate in preparing these financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Revenue grants and contributions received and receivable in respect of specific project expenditure are credited to deferred income and recognised in the income and expenditure account in the same period as the related expenditure.

The funding is received in accordance with the provisions and conditions as specified in the offer letters which regulate the way in which such funds may be spent.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Cost of raising funds are incurred in attracting voluntary income.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Furniture and equipment	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Legal status of the charity

The company is limited by guarantee and has no share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 2 Critical accounting estimates and judgements

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

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

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the charity would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices. The carrying amount of tangible fixed assets at the reporting end date was £2,142,798 (2021 - £2,203,223).

### 3 Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	2021 £
Donations and gifts	128,076	-	128,076	29,271
Grants	67,992	66,674	134,666	140,021
	<u>196,068</u>	<u>66,674</u>	<u>262,742</u>	<u>169,292</u>
<b>Grants receivable for core activities</b>				
Coronavirus Job Retention Scheme	9,558	-	9,558	140,021
Grants from other charities	58,434	66,674	125,108	-
	<u>67,992</u>	<u>66,674</u>	<u>134,666</u>	<u>140,021</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 4 Charitable activities

	2022	2021
	£	£
Home Support	326,660	359,741
Day Centres	321,085	211,957
Residential Respite Care	217,140	255,082
Other income	21,354	168,733
	<u>886,239</u>	<u>995,513</u>
<b>Analysis by fund</b>		
Unrestricted funds	886,239	968,013
Restricted funds	-	27,500
	<u>886,239</u>	<u>995,513</u>

Activity levels remained same as previous year despite the reduction in income - this was a result of commissioners reconciling overpayments for other contracted services with the charity.

### 5 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Advertising	1,263	1,404
	<u>1,263</u>	<u>1,404</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 6 Charitable activities

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Staff costs	549,905	1,083,990
Relief of persons with Dementia	83,198	35,976
	<hr/>	<hr/>
	633,103	1,119,966
Share of support costs (see note 7)	734,483	342,519
Share of governance costs (see note 7)	6,600	7,140
	<hr/>	<hr/>
	1,374,186	1,469,625
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis by fund</b>		
Unrestricted funds	1,246,139	1,442,125
Restricted funds	128,047	27,500
	<hr/>	<hr/>
	1,374,186	1,469,625
	<hr/> <hr/>	<hr/> <hr/>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 7 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	300,825	-	300,825	10,822	-	10,822
Depreciation	71,140	-	71,140	82,343	-	82,343
Staff travel	8,308	-	8,308	2,962	-	2,962
Premises costs	26,647	-	26,647	33,309	-	33,309
Light and heat	39,511	-	39,511	44,743	-	44,743
Insurance	34,663	-	34,663	20,887	-	20,887
Communications and IT	60,912	-	60,912	72,951	-	72,951
Printing postage and stationary	6,337	-	6,337	5,447	-	5,447
Repairs and renewals	22,175	-	22,175	15,310	-	15,310
Recruitment fees	2,565	-	2,565	12,362	-	12,362
Legal and professional	156,169	-	156,169	26,138	-	26,138
Other costs	5,231	-	5,231	15,245	-	15,245
Audit fees	-	6,600	6,600	-	7,140	7,140
	<u>734,483</u>	<u>6,600</u>	<u>741,083</u>	<u>342,519</u>	<u>7,140</u>	<u>349,659</u>
Analysed between Charitable activities	<u>734,483</u>	<u>6,600</u>	<u>741,083</u>	<u>342,519</u>	<u>7,140</u>	<u>349,659</u>

Governance costs includes payments to the auditors of £6,600 (2021- £7,140) for audit fees.

### 8 Other

	2022	2021
	£	£
Financing costs	58,677	-
	<u>58,677</u>	<u>-</u>

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 10 Employees

The average monthly number of employees during the year was:

2022	2021
Number	Number
<u>49</u>	<u>63</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

<b>10 Employees</b>	<b>(Continued)</b>	
<b>Employment costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	799,133	1,007,833
Social security costs	40,672	70,704
Other pension costs	10,925	16,275
	<u>850,730</u>	<u>1,094,812</u>

The total employee benefits of the key management personnel were £184,369 (2021 - £213,504).

There were no employees whose annual remuneration was more than £60,000.

<b>11 Tangible fixed assets</b>	<b>Freehold land and buildings</b>	<b>Furniture and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2021	3,024,082	376,285	93,865	3,494,232
Additions	9,432	1,283	-	10,715
	<u>3,033,514</u>	<u>377,568</u>	<u>93,865</u>	<u>3,504,947</u>
At 31 March 2022	3,033,514	377,568	93,865	3,504,947
<b>Depreciation and impairment</b>				
At 1 April 2021	837,407	361,487	92,115	1,291,009
Depreciation charged in the year	60,576	9,814	750	71,140
	<u>897,983</u>	<u>371,301</u>	<u>92,865</u>	<u>1,362,149</u>
At 31 March 2022	897,983	371,301	92,865	1,362,149
<b>Carrying amount</b>				
At 31 March 2022	<u>2,135,531</u>	<u>6,267</u>	<u>1,000</u>	<u>2,142,798</u>
At 31 March 2021	<u>2,186,675</u>	<u>14,798</u>	<u>1,750</u>	<u>2,203,223</u>

<b>12 Debtors</b>	<b>2022</b>	<b>2021</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade debtors	135,377	76,344
Other debtors	7,048	-
Prepayments and accrued income	55,580	23,111
	<u>198,005</u>	<u>99,455</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 13 Loans and overdrafts

	2022 £	2021 £
Bank loans	547,630	220,000
Payable within one year	44,000	25,667
Payable after one year	503,630	194,333

Bank loans of £553,010 (2021 - £220,000) are secured against the assets of the charity.

CIBL loan is repayable over 60 monthly instalments at a margin of 3.19% over base rate, with an interest free period of 12 months after drawdown.

The Ortus bank loan is repayable at the end of the 18 month period or at any point after 3 months. Interest is charged at 0.79% per calendar month for the term of the loan.

### 14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	13	44,000	25,667
Other taxation and social security		133,945	33,878
Deferred income	16	4,821	38,184
Trade creditors		59,648	22,852
Other creditors		37,000	70,357
Accruals		74,783	85,304
		<u>354,197</u>	<u>276,242</u>

### 15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	13	503,630	194,333

### 16 Deferred income

	2022 £	2021 £
Other deferred income	4,821	38,184

Deferred income is included in the financial statements as follows:

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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<b>16 Deferred income</b>	<b>(Continued)</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Current liabilities	4,821	38,184
	<u>          </u>	<u>          </u>
Movements in the year:		
Deferred income at 1 April 2021	38,184	10,000
Released from previous periods	(38,184)	(10,000)
Resources deferred in the year	4,821	38,184
	<u>          </u>	<u>          </u>
Deferred income at 31 March 2022	<u>4,821</u>	<u>38,184</u>

## **17 Retirement benefit schemes**

### **Defined contribution schemes**

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £10,925 (2021 - £16,275).

Contributions totalling £319 (2021 - £814) were payable to the scheme at the end of the year and are included in creditors.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 18 Unrestricted funds

These are unrestricted funds which are material to the charity's activities made up as follows:

#### Current financial year

	Movement in funds				Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
General Funds	(196,832)	1,082,307	(1,234,939)	(10,715)	(360,179)
Property	2,186,675	-	(60,576)	9,432	2,135,531
Fixed Assets	16,548	-	(10,564)	1,283	7,267
	<u>2,006,391</u>	<u>1,082,307</u>	<u>(1,306,079)</u>	<u>-</u>	<u>1,782,619</u>

#### Prior financial year

	Movement in funds				Balance at 1 April 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	
General Funds	30,233	1,137,305	(1,356,230)	(8,140)	(196,832)
Property	2,241,444	-	(60,461)	5,692	2,186,675
Fixed Assets	40,938	-	(26,838)	2,448	16,548
	<u>2,312,615</u>	<u>1,137,305</u>	<u>(1,443,529)</u>	<u>-</u>	<u>2,006,391</u>

#### Property Reserve

This reserve reflects the cost expended in relation to the Bradbury Centre and forecasted expenditure on the property in subsequent year. Depreciation on land and buildings is charged against this reserve.

#### Fixed Asset Reserve

This reserve includes all other fixed assets maintained in the balance sheet as the reserve tied up in these items are not generally available as free reserves. Depreciation on these assets is charged against this reserve.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

#### Current financial year

	Movement in funds			Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	
Northumberland Dementia Project	75,563	27,500	(103,063)	-
Outreach centres	1,500	-	(1,500)	-
Rothley Trust	1,500	-	(1,500)	-
Pargiter Trust	-	9,157	(9,157)	-
The Ringtons "Tea Growing Community" Charitable Trust	-	4,590	(4,590)	-
National Lottery Award for All	-	8,670	-	8,670
Sports England	-	8,520	-	8,520
NCC Infection Control	-	7,524	(7,524)	-
Community Chest	-	713	(713)	-
	<u>78,563</u>	<u>66,674</u>	<u>(128,047)</u>	<u>17,190</u>

#### Prior financial year

	Movement in funds			Balance at 1 April 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	
Northumberland Dementia Project	75,563	27,500	(27,500)	75,563
Outreach centres	1,500	-	-	1,500
Rothley Trust	1,500	-	-	1,500
	<u>78,563</u>	<u>27,500</u>	<u>(27,500)</u>	<u>78,563</u>

#### Northumberland Dementia Project

The Ballinger Charitable Trust agreed to fund a 3 year project delivered by Dementia Matters to improve the delivery of dementia services and support in the North East of England. Incoming resources represent additional grants received under this project during the year. The reserve is used to pay for staff recruitment and training and other set up costs for specific projects. Monies have also been spent to fund the set-up of our new day centre in Cramlington.

#### Outreach centres

We have received grants from Catherine Cookson Trust and Hadrian Trust towards a project of opening up three outreach centres. Our plan were delayed due to COVID-19 and we will look to undertake this project in due course.

#### Rothley Trust

Grants received to develop a potential new day centre service in north Northumberland.

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 19 Restricted funds

(Continued)

#### Partiger Trust

Grant received for a 9 month pilot of "Dementia Days", specifically aimed at integrating dementia sufferers, their support network and volunteers into the local community, relieving some of the ongoing isolation/transition that COVID-19 has caused.

#### The Ringtons "Tea Growing Community" Charitable Trust

Grant received for a project named Growing Support, a gardening project to tidy up the gardening area at the Bradbury centre, engaging Dementia sufferers and their support network. This aims to reintegrate them into their peer support network and wider society following the devastating impact that lockdown restrictions have had on our service users.

#### National Lottery Awards for All

Grant received for a project named Growing Support. This aims to deliver specific activities at our two sites, engaging Dementia sufferers and their support network which is conducive to reintegrate them into their peer support network and wider society following the devastating impact that lockdown restrictions have had on our service users.

#### Sports England

Grant received for a project named Strive to Thrive. In celebration of the Queens Jubilee we will deliver weekly classes of chair based and appropriate standing or water based exercises to maintain physical movement for our day centre users and residential patients. This project will also be open to the wider support networks made up of family and friends of Dementia patients as well as fully open to the local community where our care centres are situated.

### 20 Analysis of net assets between funds

#### Current financial year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	2,142,798	-	2,142,798
Current assets/(liabilities)	143,451	17,190	160,641
Long term liabilities	(503,630)	-	(503,630)
	<u>1,782,619</u>	<u>17,190</u>	<u>1,799,809</u>

#### Prior financial year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	2,203,223	-	2,203,223
Current assets/(liabilities)	(2,499)	78,563	76,064
Long term liabilities	(194,333)	-	(194,333)
	<u>2,006,391</u>	<u>78,563</u>	<u>2,084,954</u>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	-	19,184

### 22 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

### 23 Cash generated from operations

	2022 £	2021 £
Deficit for the year	(285,145)	(306,224)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	71,140	87,299
Movements in working capital:		
(Increase)/decrease in debtors	(98,550)	45,717
Increase in creditors	92,985	57,389
(Decrease)/increase in deferred income	(33,363)	38,184
<b>Cash absorbed by operations</b>	<b>(252,933)</b>	<b>(77,635)</b>

# DEMENTIA MATTERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 24 Analysis of changes in net debt Current financial year

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	252,851	63,982	316,833
Loans falling due within one year	(25,667)	(18,333)	(44,000)
Loans falling due after more than one year	(194,333)	(309,297)	(503,630)
	<u>32,851</u>	<u>(263,648)</u>	<u>(230,797)</u>

### Previous financial year

	At 1 April 2020 £	Cash flows £	At 1 April 2021 £
Cash at bank and in hand	118,626	134,225	252,851
Loans falling due within one year	-	(25,667)	(25,667)
Loans falling due after more than one year	-	(194,333)	(194,333)
	<u>118,626</u>	<u>(85,775)</u>	<u>32,851</u>

**DEMENTIA MATTERS**

England & Wales - Charity number 1045517

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# Accounts

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Company registration number: 02980817

Charity registration number: 1045517

# DEMENTIA MATTERS

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

# Dementia Matters

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## Dementia Matters

### Reference and Administrative Details

<b>Trustees</b>	Lee Ali, Vice Chair Paul Bell Rosalind Dougal (resigned 21 September 2021) Russell Ward (resigned 12 July 2021) Michelle Donnan Beverley Reid (resigned 1 December 2020) David Lovenbury Keith Salton (resigned 19 November 2020) Kieran Porter (appointed 15 December 2020 and resigned 14 June 2021) Lionel Roderic Joyce, Chair (appointed 31 March 2021) Andrew Finlay Fairbairn (appointed 25 May 2021) Jeanette Scott (appointed 29 June 2021)
<b>Key Management Personnel</b>	Beverley Reid (appointed 3 December 2020), Andrew Howie, Lindy Greenwood, Hannah Stevens, Rachel Fox, Dr Fraser Quin, (resigned 30 November 2020)
<b>Principal Office</b>	The Bradbury Centre Darrell Street Brunswick Villiage Newcastle upon Tyne NE13 7DS  The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	02980817
<b>Charity Registration Number</b>	1045517
<b>Bankers</b>	Nationwide Building Society Northampton Northampton NN3 6NW  Barclays Bank Plc Birmingham UK Banking Service Centre PO Box 299 Birmingham B1 3PF
<b>Auditor</b>	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle Upon Tyne NE3 3LS

# Dementia Matters

## Trustees' Report

### Chairman's Statement

#### To our service users, their relatives, carers and friends:

First and foremost, this has been the second year of the pandemic causing immense problems and distress to older people, families and carers. Our priority and the purpose for which we exist is to help people living with dementia (and similar conditions) their families and carers. The Board of Trustees is very aware of the pain and the distress that has been caused to all and in particular to those with caring responsibilities. The loss of a day service or a home treatment package which is so vital in helping friends and relatives to ensure a decent quality of life for a loved one, can be overwhelming. The times when our residential service has gone into lock down and relatives have not been able to visit is very upsetting.

The Board would like to express our deepest sympathies to all who were not able to receive the service they needed.

#### Interim Chair Report 20th Nov 2020 – 31st March 2021

**Dementia Matters** is a long established registered charity and company limited by guarantee. The Charity is currently managed by a board of seven trustees including the Chair of the Board. The Board is advised and supported by the Charity's Executive Team, two of whom reside on the Board of Trustees (CEO and Head of Finance) and has three specialist sub-committees; Care, Risk and Finance and Audit (FAC) to lead and support the wider board and organisation on these focused areas of governance.

During the financial year ending 31st March 2021 the Board and Executive Team had several significant changes:

Keith Salton, Chair of Board of Trustees - Resigned on 19th November 2020

Fraser Quin, CEO - Resigned 30th November 2020

These changes which were due to personal circumstances and with the Charity's full support, came during the height of the Covid pandemic in what had been the hardest and most challenging of years in the Charity's 27 years of delivering dementia care and support in the communities we serve. Because of these changes, my focus as Interim Chair, and that of the Board, was to recruit a strong and experienced Chair and Interim CEO to lead the organisation through Covid and prepare us to for growth and expanded service provision post pandemic and into 2021/22.

I was delighted to welcome Bev Reid as Interim CEO in December 2020. Bev knew the organisation very well, having been a Trustee with the Charity since 2019, serving on numerous sub-committees during her tenure as a Trustee. This, combined with Bev's wealth of care, commercial and leadership experience to Director level within the NHS in her previous roles, made her the standout candidate and an invaluable leader to the Executive Team and the wider organisation. With the Board's unanimous agreement and support, Bev resigned from her Trustee role on 1st December 2020 to take up her post at the helm of the Charity.

Following Bev's appointment, the Board, Bev, and I were both delighted and privileged to welcome Lionel Joyce, CBE, OBE, as Chair on 31st March 2021.

## **Dementia Matters**

### **Trustees' Report**

Lionel is known for being a leading voice, thought leader and visionary in the healthcare sector. An experienced Trustee, Non-Executive Director and Chair with experience both regionally and nationally, he was made an OBE in 1998 and CBE in 2012 for contributions towards legal services and health and wellbeing respectively. A former CEO of Newcastle City Health NHS Trust, Lionel had a career with the NHS spanning 27 years and was a co-founder of Mental Health Concern.

Lionel since his appointment has been working closely with the Board and the Executive team to guide the Charity through the ongoing pandemic and onwards as we look to reset, recover, and refocus, keeping our service users and their families at the heart of all we do.

In early 2021, the Charity's Head of Finance resigned. Bev was quick to appoint a new finance leader with extensive charity experience to support the Board and organisation through the challenges of operating in the unprecedented circumstances we found ourselves and navigating the recovery process.

I would personally, like to thank each and every one of our current and past colleagues, trustees, supporters and advisors who have helped the Charity during Covid and the changes to Board of Trustees and the Executive Team. Without your support, dedication, and leadership the Charity would not be where it is today – I thank you all and look forward to supporting Lionel and Bev as we move the Charity forwards.

**Regards Lee J Ali, Vice Chair.**

#### **Chair Report – 31st March, 2021 and post year end**

I arrived to take up the chair on 31st March 2021 and was ably inducted by the Vice Chair Lee Ali - a vital and key member of the Finance and Audit Committee. Paul Bell was our longest serving member and Rosalind Dougal, who left us mid-year, our HR lead. In addition, David Lovenbury kept us focused on fundraising and the business community.

I would like to thank the Trustees for the huge amount of work they have done to keep the Charity functioning during the pandemic. This has been a year of unprecedented difficulty.

The Board saw further changes in the summer of 2021 with the departure of Russell Ward to enjoy the fabulous new arrival of his baby and likewise of Kieran Porter who has a young family and a new business. Their experience, energy and sense of fun is missed. Our HR trustee Ros Dougal then resigned to focus on her family in September 2021.

They have been replaced by Dr Andrew Fairbairn, an outstanding old-age psychiatrist, former Chief Executive of CNTW and Registrar of the Royal College of Psychiatrists and one of the top nurses in the North East - Jeanette Scott. We are very lucky to have attracted such distinguished people to the Board and with these two additions to the team we will be able to remain at the forefront of dementia care.

In addition to the main Board of Trustees there are now four sub committees – the Finance and Audit Committee (FAC), the Care and Colleagues Committee (CCC), the Risk Committee (RC) and the Business Development Committee (BDC). The staff have seen the CEO and the Head of Finance leave prior to the beginning of the year to be replaced by Bev Reid, an ex-trustee on a part-time interim basis, and Colin Johnson a part-time interim Finance Director, who has often gone above and beyond

## **Dementia Matters**

### **Trustees' Report**

It is distinctly possible that if Bev Reid had not brought her unique brand of knowledge, intelligence and hard work to this post Dementia Matters would no longer be in existence. Following a detailed assessment and analysis of the organisation she presented to the Board a Recovery Plan which confirmed the full extent of the financial pressures, the priorities and what was required to drive the charity forward out of the pandemic. This highlighted and confirmed the significant cost pressures associated with reduced income streams, the immediate actions and priorities to ensure viability alongside the road map for the remainder of the financial year. In an extraordinary display of high-quality managerial skill, she delivered this plan within the timescales required. She has put this Charity back in "the black" from which we can now go from strength to strength.

Our greatest thanks are reserved for Bev!

Thanks too to Colin for securing the short-term financing required to support the Charity, while the results of Bev's recovery plan were coming to fruition.

#### **Our Colleagues**

Bev would be the first to acknowledge that her achievements were made possible by the willingness, dedication and hard work of our Registered Managers, Clare Morris and Christine Turner. They have taken on the full responsibilities of their posts with a willingness, commitment and unwavering focus on those who seek our support. Supported by Georgia Biggs and Rebecca Long they have ensured our residential service continued to operate and our day services operated within the confines of national and local covid restrictions. We were delighted to be able to commence and establish a new day service in Northumberland despite these challenges alongside our existing and more established service in Newcastle. Dawn Wallace has overseen our Home Care services through the pandemic with the minimum disruption possible and ensured that our services have been staffed. During a year of significant challenge their dedication and commitment to the business enabled them to embrace the new reality with enthusiasm.

#### **The Finance and Audit Committee (FAC)**

Chaired by Michelle Donnan who deserves my particular thanks for guiding me through the many financial issues over the course of this year. The Committee has met at least monthly and often twice monthly to address the unfolding financial situation. It became apparent in May 2021 that the previous financial year had left the Charity in dire financial circumstances. Our income was only 50% of our outgoings and it required drastic action by the CEO, FAC and the Board.

Thanks to the Recovery Plan, FAC were then able to oversee the Charity to return to breaking even. The committee has overseen the acquiring a CBILS loan from the Government and has taken out a commercial loan. Ownership of the Bradbury Centre has ensured the Charity has an asset greater than our liabilities. FAC and the Board are taking full responsibility for the management of this asset.

The Coronavirus (COVID-19) Pandemic affected income and expenditure in the year in many ways. Income from a vast majority of sources was very much reduced. Alongside income from our commissioning bodies, a significant contribution is from self funders. Restrictions, lock down and an understandable fear and lack of confidence amongst the elderly resulted in a significant drop in activity and associated income. Donations and charitable activities were also affected and the Charity has adjusted spend to reflect all of this.

Despite restricted and unrestricted income in 2020/21 being significantly lower than previous years we did access the various covid grants such as the Government's Coronavirus Workforce Grant to ensure the needs of our service users and our staff were met as best as we could.

# Dementia Matters

## Trustees' Report

### **The Risk Committee (RC) and Care and Colleagues Committee (CCC)**

These committees were run jointly throughout the pandemic and are now jointly chaired by Paul Bell and Jeanette Scott. They and their predecessors have ensured that all risks are under review and that we more than exceed CQC requirements. In the year ahead I believe they will take some aspects of our caring to a new level. During this year it was managed by Russell Ward - chairing the Care component and Paul Bell the Risk element. Following Russell's departure Paul chaired both committees until the arrival of Jeanette.

### **The Business Development Committee (BDC) – Fundraising**

To be re-named - Fundraising & Income Generation Committee (FIGC).

This committee was in abeyance both due to covid and to the poor state of the organisation's finances. The external funding and fundraising landscape continues to be incredibly volatile due to the impact of COVID-19. There was an inability to raise vital unrestricted income due to many of our fundraising events being cancelled or postponed. The effect of this was most felt by the cancellation of the Great North Run. During this financial year we appointed a new fundraiser with extensive experience and knowledge of local and national funding. He became a source of hope when the situation looked bleak by rapidly raising over £70,000 with costs to deliver being under 10% of this income.

Recently, due to operational capacity he has been a major source of wisdom in using social media effectively to promote our services and generate income via new giving platforms. We are also developing a social investor proposition which will be conducive in securing major investment to refurbish our core operational delivery centre (The Bradbury Centre) to achieve our ambitious recovery, stability and growth plans.

It is the aim of this committee to produce and deliver a robust three-year Fundraising & Income Generation Strategy to meet the future needs of our service users and demand on our services.

**The Charity has three additional objects:** - The relief of poverty and distress; the provision of advocacy; and the advancement of education. It has been a year of survival and the Board has been unable to divert any additional resources to these purposes. We can however trumpet the success of the Dementia Advice Centre (DAC). The DAC is the one area where specific educational help was consistently available throughout the pandemic. It operated a tiered approach based on need providing clinical advice and signposting relatives, friends, and other professionals to expert support.

Joe Costello, our Admiral Nurse, leaving for a new opportunity with a University, was a significant loss that coincided with the end of charitable funding from the Ballinger Trust. The Ballinger Trust have been a great friend to dementia in the North East and we are very grateful for their support.

We are seeking ways to reinstate this service and hope to have the support of local commissioners to do so.

### **External Environment**

The continued underfunding and growing demand have resulted in unprecedented challenges for commissioners and providers alike. During the year we were hopeful that the Government would come forward with a plan to solve the problems of social care. Whilst they have identified huge extra financing this will go first to the NHS and it would be bold to assume sufficient funding will be distributed into social care, yet the NHS backlog is unlikely to be adequately resolved without tackling the pressures facing adult social care at the same time.

# Dementia Matters

## Trustees' Report

Alongside the necessary reforms and funding, much is yet to be done to improve the challenges associated with the care workforce regrading pay, training and development.

The social care system continues to be significantly reliant on the contribution of unpaid carers providing vital support and the pandemic has highlighted this even more so and we will seek to increase our role in providing much needed relief and support via our day services and respite care and also directly to carers and their families.

We have made good steady progress via our CEO in developing relationships with other providers across the health and care sector locally and we see this as a priority going forward. The current restructuring of the NHS creates opportunities to play a greater role in the local place based planning and provision alongside our partners in the statutory and non statutory sectors.

### Our Priorities

Provide the best residential and day care sector premises for people with dementia

Improve and expand our home treatment services including 'hospice at home'

Secure major funding and income streams for 2021/22 and onwards

Implement a new Fundraising & Income Generation three-year strategic plan

Recover and stabilise the organisation following the pandemic

A new People Plan is in currently in design to re-evaluate and re-focus on how we can best support and nurture our talent to equip them with the capacity and knowledge to face the new world with competence and confidence

Extend our DAC service across north of Tyne

Explore the possibility of providing advocacy

Explore the possibility of acting to relieve poverty

### Thanks to

1. Our service users who make our work so rewarding
2. The friends and relatives of our service users who have chosen to use our services
3. Our volunteers – who make such a difference to the quality of services we offer
4. Our Charitable Funders including;
  - Ballinger Trust
  - The National Lottery Community Fund
  - Edward Gostling Foundation
  - Northumberland County Council - Community Chest
  - Ringtons Fund
  - The Pargiter Trust
  - Garfield Weston Foundation
  - R W Mann Trust
  - The Barbour Foundation
  - Santa Barbra Heights Charitable Trust

## Dementia Matters

### Trustees' Report

5. Newcastle City Council, North Tyneside Council, Northumberland County Council and the associated CCGs who have contracted with us
6. Primary Care and other agencies who refer service users to us
7. Newcastle University and in particular Prof Louise Robinson who continues to work on issues close to our heart
8. Our staff
9. Our managers
10. Our FD, Colin Johnson, who is sadly leaving us
11. Our interim CEO Bev Reid
12. The trustees who give so freely of their time

#### "A look to the future - next five years - a personal view

*I have called this a personal view simply because it has not been possible - due to covid - to meet with friends, relatives, staff, commissioners, charitable funders and trustees to collectively discuss our future*

Dementia Matters aspires to being a leading provider of care for people with dementia and similar conditions. To achieve this aspiration we want to offer a comprehensive range of interrelated services which will include: -

Advice and information

Relative support groups

A home 'sitting service'

A comprehensive home treatment service staffed by experienced well trained and well paid care providers

a range of day services, seven days a week and available for long days

An expanded residential day service that can manage very complex cases and provide excellent end of life care whilst offering a range of respite opportunities

System of informed advocates who can ensure that clients and families receive the benefits and help to which they are entitled

An educational program that informs public bodies, employers and the community at large, of the needs of people with dementia and their relatives

Funds, supported through excellent fundraising - provided from charitable giving to ameliorate the occasions of poverty caused by dementia

Partnerships with the NHS, Social Care and other third sector providers

If we are able to achieve everything that the charity was set up to do, we will, by demonstration, show the rest of the country what model services look like and how they can be provided.

I am confident that having survived the ravages of Covid we can emerge as an emotionally resilient organisation, capable of shaping the future of dementia care."

Lionel Joyce, March 2022

# Dementia Matters

## Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021.

### **Trustees**

Lee Ali, Vice Chair

Paul Bell

Rosalind Dougal (resigned 21 September 2021)

Russell Ward (resigned 12 July 2021)

Michelle Donnan

Beverley Reid (resigned 1 December 2020)

David Lovenbury

Keith Salton (resigned 19 November 2020)

Kieran Porter (appointed 15 December 2020 and resigned 14 June 2021)

Lionel Roderic Joyce, Chair (appointed 31 March 2021)

Andrew Finlay Fairbairn (appointed 25 May 2021)

Jeanette Scott (appointed 29 June 2021)

### **Structure, governance and management**

#### ***Nature of governing document***

Dementia Matters is a registered charity and a company Limited by Guarantee and governed by its Memorandum and Articles of Association dated 18 July 2012. The charitable company is managed by Trustees with expertise relevant to the requirements of the charity. The Trustees meet bi-monthly to monitor performance, agree resource allocation, identify and agree solutions to problems and respond to any opportunities that arise. The Chief Executive meets regularly with the Chair of Trustees to discuss performance.

#### ***Recruitment and appointment of trustees***

The election of Trustees and the membership is governed by the Articles of Association of the charitable company. All our members are currently Trustees and new members are appointed by Trustee approval only. Potential Trustees are invited to attend up to three meetings as a way to get to know the charitable company before formal induction takes place. The Trustees bring with them expertise in healthcare, law, marketing, administration, general management, finance, social care or were carers or family members of people with dementia.

A skills review of the Board is currently underway and will inform the organisations of any deficiencies regarding the makeup of the Board moving forwards.

#### ***Organisational structure***

The Trustees have the ultimate responsibility for establishing the strategic direction and corporate objectives of the charitable company with responsibility for day-to-day management and delivery of the corporate objectives delegated to the Chief Executive. The Chief Executive is assisted by a senior management team consisting of the Head of Services, Head of Finance, Head of HR & Training and Head of Quality. The Chief Executive meets with the Chair of Trustees regularly.

Committees of Trustees are Finance and Audit, Care and Colleagues, and Risk. An appropriate Trustee has been assigned as Chair of each Committee.

# Dementia Matters

## Trustees' Report

### Relationships with related parties

Dementia Matters is a specialist provider of care for people with dementia and other degenerative neurological disorders. Services are commissioned by Adult Social Services departments within local councils and the local NHS CCGs. The charity enjoys good relationships with other local and national partners and with the Department of Health. In order to deliver on our objectives over the coming years, further relationships will be delivered with:

New area Local Authority and NHS Commissioners  
Housing Associations  
Building Development specialists  
Academic Institutions  
Like minded Charities  
New funders and grant awarding trusts  
Academic Health Science Networks and Technology Industry

### Major risks and management of those risks

The Trustees understand the importance of assessing major risks to which Dementia Matters is exposed. There are appropriate systems, controls and procedures in place to minimise and mitigate those risks.

The following major risks to which Dementia Matters is exposed are reviewed monthly by the SMT and annually as part of a review of risk processes and policies:

- Finance (fraud, insufficient income, exceptional costs)
- Governance (Board effectiveness, recruitment or loss of Trustees and management)
- External/political (government policy changes)
- Quality & Reputation (breach of law or regulations, adverse publicity)
- Service delivery (loss of contracts)
- Growth strategy (failure to achieve long term objectives)

Dementia Matters has reviewed its organisational risk management and assessment policies and procedures. The Head of Health & Safety and Risk Management is responsible for this process, supported by the senior management team and the Trustees.

### Objectives and activities

#### *Objects and aims*

The charitable objects are:

- a) the relief of persons who are in need as a result of dementia or other degenerative neurological disorders, acquired brain injury, mental health issues, learning, sensory or other problems arising from ageing, illness or disease;
- b) the provision of advocacy to assist such persons to obtain access to their full rights and privileges as citizens;
- c) the advancement of education amongst carers and the general public regarding dementia and other issues referred to in clause a) above.

In order to achieve the objectives, the charity provides home care, supported living, residential care, respite care, day services and advice and support for people with dementia and their families currently in Newcastle upon Tyne, North Tyneside and Northumberland.

# Dementia Matters

## Trustees' Report

### ***Fundraising disclosures***

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

### ***Public benefit***

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### **Achievements and performance**

The achievements and performance are detailed within the Chair's report on page 2.

### **Financial review**

#### **FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

As a registered charity, the financial objectives of Dementia Matters are:

- To be financially stable at all times and to maintain sufficient reserves to achieve this.
- To be managed professionally and prudently in line with policies agreed by the Board of Trustees.
- To generate operating surpluses and to re-invest these towards the achievement of our charitable objectives.
- To control expenditure and operate efficiently.
- To monitor, control and minimise all financial and other risks.

#### **Financial Risk Management Policy**

Internal financial controls are regularly reviewed in line with guidelines set by the Charity Commission. This is the responsibility of the Finance and Audit Committee which meets monthly and reports directly to the Trustees.

#### ***Investment policy and objectives***

The charity invests surplus funds in interest-bearing accounts with major UK banks and building societies to minimise risk. During the year funds were held with Barclays, Bank of Scotland and Nationwide Building Society. The funds held in the year returned on average less than 1% APR, reflecting the prudent investment policy and continued low UK interest rates. The investment policy is under continual review.

#### ***Policy on reserves***

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of three months which would equate to holding approximately £400,000 to £500,000 in free reserves.

At the year end, free reserves were a negative £2,499 (2020 - positive £30,233), a decrease of £32,732 in the year. The trustees have recognised another poor result this year and are looking at ways to improve this position.

# Dementia Matters

## Trustees' Report

### Key Management Personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

### PRINCIPLE RISKS AND UNCERTAINTIES

Dementia Matters operates within a highly regulated environment, with the majority of its income derived from the provision of services commissioned by a small number of public sector funders. As such, the principle risks and uncertainties faced by Dementia Matters are:

- Financial constraints placed on all care providers by public sector commissioners, as they in turn face financial cutbacks. This is a challenge faced throughout the care sector and is by no means unique to Dementia Matters.
- Changes in legislation affecting charities and the care sector, including additional compliance requirements.
- Failure to meet the requirements of the Care Quality Commission, resulting in the potential loss of registration and inability to provide services.
- Changes in legislation affecting businesses in general, such as pension auto-enrolment and changes to the National Living Wage. These lead to increases in our operating costs and again are not unique to Dementia Matters.

# Dementia Matters

## Trustees' Report

### Plans for future periods

#### *Aims and key objectives for future periods*

There is no question that the ongoing impact of a pandemic and all that it entails has had a devastating impact on Dementia Matters. We have continued to deliver our services throughout, putting our users first. Our focus now is heavily on the recovery and stability of Dementia Matters. The need for us to have a robust strategic plan (including Fundraising & Income Generation) in order to achieve this, is essential.

We have identified vital funding opportunities which will be an essential and critical part of implementing our plans whilst also shaping the sustainable future of our organisation. We will seek to secure a diverse range of income sources thereby increasing our capacity to explore other income sources in our quest to scale up and become sustainable in future years ahead.

Growth in demand for our services will increase and as a collaborative organisation we will continue to identify opportunities which are conducive to supporting positive working relationships with organisations whose aims also align with those of Dementia Matters.

The biggest challenge we have currently is that as a new Senior Leadership Team we have taken over an organisation which would have otherwise closed had we not attracted new talent both in our leadership & management team. We have utilised and exhausted many opportunities and we really feel that decisions from key funders in 2021/22 are critical to the continuation and survival of our organisation. We have engaged with WorkforceOne, the HR consulting arm of AuditOne and we are working closely with Lisa Barclay, Workforce Operations Manager to design and deliver a new people plan to ensure that our leaders are supported in building the capability and capacity to equip them with the necessary skills and confidence to face the challenges of the future; to help us to implement robust structures and systems to ensure we are legally compliant and to support our recruitment and retention strategies to identify, recruit and retain talent key to business success.

We have a loyal supporter base made up of individuals and organisations who support our work within the community, and we know that this base will support us in an advocacy capacity to attract new supporters which will enable us to achieve our charitable aims and objectives. We are proud to have remained sustainable over the past 25 years by having a range of income streams which have been realistic as to what we can achieve during these times. We will continue to adopt the same model moving forward albeit in a more scaled version, so we are not reliant on a particular income stream or funder.

We hope to preserve our organisations journey, meaningful work and impact the current legacy challenges have cause as we face them head on as a new team. We remain pragmatic about the external income landscape and the pressures funders are under to support current grantees therefore whilst we remain optimistic, we realise there is a chance we may not be successful in all of our approaches. We have exhausted most of the support given to charities during the pandemic such as covid grants and furlough and have also made several applications to funders which were operating as business as usual.

## Dementia Matters

### Trustees' Report

#### Going concern

The charity's performance over the past couple of years has reduced the Net Current Assets and Cash available. The charity reports a deficit of £306,224 for the year to 31 March 2021, which is a small improvement from the 2020 deficit of £350,562.

As at 31 March 2021 the Net Current Asset position was £76,064, having reduced from £108,796 in the prior year. The Cash at Bank at 31 March 2021 was £252,851, having increased from £118,626 in the prior year, due to the drawdown in August 2020 of a £220,000 CBILs loan.

Since the year end 31 March 2021 the charity has continued to trade and its (10 months) management accounts to 31 January 2022 show that it incurred a further deficit of £220,247. As a result the charity has a reduced liquidity position at 31 January 2022, such that it was reporting Net Current Liabilities of £223,611 and Cash at Bank of £21,616.

The trustees have been continuing to work on repositioning the charity's service offering, in order to ensure that future surpluses are achieved which has been achieved in February 2022 and is likely for March 2022. An experienced fundraising manager was also appointed during 2022 to ensure opportunities for grant funding are maximised. At the same time the trustees have worked to secure a further round of additional borrowing. During March 2022 the charity received a new injection of loan funds, receiving £300,000 to support its cashflow.

The £300,000 loan received (plus the arrangement costs of £7.7k) and accrued interest is repayable in full 18months after drawdown (September 2023). The loan incurs interest at 0.79% per calendar month with a minimum term of 3 months. It is secured upon the charity's building.

The trustees have prepared forecasts which demonstrate that the charity's repositioned service offer should continue to generate monthly surpluses over the next 12 months to March 2023. The cashflow forecasts for the same period to March 2023, after accounting for the continued repayment of the CBILs Loan and having secured the new loan drawdown, give the trustees confidence that the charity will continue as a going concern for at least the next 12 months following approval of the charity's financial statements.

For these reasons the trustees remain confident that the charity is a going concern and as a result have continued to prepare the financial statements on a going concern basis.

#### Financial instruments

##### *Objectives and policies*

The charity's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### *Cash flow risk*

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

## **Dementia Matters**

### **Trustees' Report**

#### ***Credit risk***

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

# Dementia Matters

## Trustees' Report

### Statement of Trustees' Responsibilities

The trustees (who are also the directors of Dementia Matters for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditor

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

### Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on .....<sup>28/03/2022</sup> and signed on its behalf by:

*L Ali*  
Lee Ali 28 Mar 2022 18:31:54 BST (UTC +1)  
 .....  
 Lee Ali  
 Trustee

*L Joyce*  
Lionel Joyce 28 Mar 2022 18:35:41 BST (UTC +1)  
 .....  
 Lionel Roderic Joyce  
 Trustee

## **Dementia Matters**

### **Independent Auditor's Report to the Members of Dementia Matters**

#### **Opinion**

We have audited the financial statements of Dementia Matters (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

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

We have nothing to report in this regard.

## **Dementia Matters**

### **Independent Auditor's Report to the Members of Dementia Matters**

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of trustees**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## Dementia Matters

### Independent Auditor's Report to the Members of Dementia Matters

- enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to deferred income provisions; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Care Quality Commission, Health and Safety, Employment law and compliance with the Companies Act, Charities Act and the Charities SORP.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

#### Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)  
For and on behalf of MHA Tait Walker  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle Upon Tyne  
NE3 3LS

Date: 30-3-2022

MHA Tait Walker is a trading name of Tait Walker LLP.

## Dementia Matters

### Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
<b>Income and Endowments from:</b>					
Donations and legacies	4	169,292	-	169,292	314,938
Charitable activities	5	968,013	27,500	995,513	1,429,976
Investment income	6	-	-	-	168
Total Income		<u>1,137,305</u>	<u>27,500</u>	<u>1,164,805</u>	<u>1,745,082</u>
<b>Expenditure on:</b>					
Raising funds	7	(1,404)	-	(1,404)	(22,524)
Charitable activities	8	<u>(1,442,125)</u>	<u>(27,500)</u>	<u>(1,469,625)</u>	<u>(2,073,120)</u>
Total Expenditure		<u>(1,443,529)</u>	<u>(27,500)</u>	<u>(1,471,029)</u>	<u>(2,095,644)</u>
Net expenditure		<u>(306,224)</u>	<u>-</u>	<u>(306,224)</u>	<u>(350,562)</u>
Net movement in funds		(306,224)	-	(306,224)	(350,562)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>2,312,615</u>	<u>78,563</u>	<u>2,391,178</u>	<u>2,741,740</u>
Total funds carried forward	21	<u>2,006,391</u>	<u>78,563</u>	<u>2,084,954</u>	<u>2,391,178</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 21.

## Dementia Matters

### Comparative Statement of Financial Activities for the Year Ended 31 March 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	4	140,498	174,440	314,938
Charitable activities	5	1,429,976	-	1,429,976
Investment income	6	<u>168</u>	<u>-</u>	<u>168</u>
Total income		<u>1,570,642</u>	<u>174,440</u>	<u>1,745,082</u>
<b>Expenditure on:</b>				
Raising funds	7	(21,691)	(833)	(22,524)
Charitable activities	8	<u>(1,919,567)</u>	<u>(153,553)</u>	<u>(2,073,120)</u>
Total expenditure		<u>(1,941,258)</u>	<u>(154,386)</u>	<u>(2,095,644)</u>
Net (expenditure)/income		(370,616)	20,054	(350,562)
Transfers between funds		<u>27,739</u>	<u>(27,739)</u>	<u>-</u>
Net movement in funds		(342,877)	(7,685)	(350,562)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>2,655,492</u>	<u>86,248</u>	<u>2,741,740</u>
Total funds carried forward	21	<u><u>2,312,615</u></u>	<u><u>78,563</u></u>	<u><u>2,391,178</u></u>

## Dementia Matters

### (Registration number: 02980817) Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	2,203,223	2,282,382
<b>Current assets</b>			
Debtors	15	99,455	145,172
Cash at bank and in hand	16	<u>252,851</u>	<u>118,626</u>
		352,306	263,798
<b>Creditors: Amounts falling due within one year</b>	17	<u>(276,242)</u>	<u>(155,002)</u>
<b>Net current assets</b>		<u>76,064</u>	<u>108,796</u>
<b>Total assets less current liabilities</b>		2,279,287	2,391,178
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(194,333)</u>	-
<b>Net assets</b>		<u><u>2,084,954</u></u>	<u><u>2,391,178</u></u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	21	78,563	78,563
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>2,006,391</u>	<u>2,312,615</u>
<b>Total funds</b>	21	<u><u>2,084,954</u></u>	<u><u>2,391,178</u></u>

The financial statements on pages 19 to 38 were approved by the trustees, and authorised for issue on 28/03/2022..... and signed on their behalf by:

  
Michelle Donnan 29 Mar 2022 18:40:09 BST (UTC +1)  
 .....  
 Michelle Donnan  
 Trustee

## Dementia Matters

### Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(306,224)	(350,562)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	7	87,299	97,638
Investment income	6	-	(168)
		<u>(218,925)</u>	<u>(253,092)</u>
<b>Working capital adjustments</b>			
Decrease in debtors	15	45,717	266,336
Increase/(decrease) in creditors	17	67,389	(125,718)
Increase in deferred income	18	28,184	10,000
		<u>(77,635)</u>	<u>(102,474)</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	6	-	168
Purchase of tangible fixed assets	14	<u>(8,140)</u>	<u>(52,493)</u>
Net cash flows from investing activities		(8,140)	(52,325)
<b>Cash flows from financing activities</b>			
Drawdown of loans and borrowings	17	<u>220,000</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		134,225	(154,799)
Cash and cash equivalents at 1 April		<u>118,626</u>	<u>273,425</u>
Cash and cash equivalents at 31 March		<u><u>252,851</u></u>	<u><u>118,626</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

## **Dementia Matters**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Going concern**

The charity's performance over the past couple of years has reduced the Net Current Assets and Cash available. The charity reports a deficit of £306,224 for the year to 31 March 2021, which is a small improvement from the 2020 deficit of £350,562.

As at 31 March 2021 the Net Current Asset position was £76,064, having reduced from £108,796 in the prior year. The Cash at Bank at 31 March 2021 was £252,851, having increased from £118,626 in the prior year, due to the drawdown in August 2020 of a £220,000 CBILs loan.

Since the year end 31 March 2021 the charity has continued to trade and its (10 months) management accounts to 31 January 2022 show that it incurred a further deficit of £220,247. As a result the charity has a reduced liquidity position at 31 January 2022, such that it was reporting Net Current Liabilities of £223,611 and Cash at Bank of £21,616.

The trustees have been continuing to work on repositioning the charity's service offering, in order to ensure that future surpluses are achieved which has been achieved in February 2022 and is likely for March 2022. An experienced fundraising manager was also appointed during 2022 to ensure opportunities for grant funding are maximised. At the same time the trustees have worked to secure a further round of additional borrowing. During March 2022 the charity received a new injection of loan funds, receiving £300,000 to support its cashflow.

The £300,000 loan received (plus the arrangement costs of £7.7k) and accrued interest is repayable in full 18 months after drawdown (September 2023). The loan incurs interest at 0.79% per calendar month with a minimum term of 3 months. It is secured upon the charity's building.

The trustees have prepared forecasts which demonstrate that the charity's repositioned service offer should continue to generate monthly surpluses over the next 12 months to March 2023. The cashflow forecasts for the same period to March 2023, after accounting for the continued repayment of the CBILs Loan and having secured the new loan drawdown, give the trustees confidence that the charity will continue as a going concern for at least the next 12 months following approval of the charity's financial statements.

For these reasons the trustees remain confident that the charity is a going concern and as a result have continued to prepare the financial statements on a going concern basis.

#### **2 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is: The Bradbury Centre, Darrell Street, Brunswick Villiage, Newcastle upon Tyne, NE13 7DS

#### **3 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

## **Dementia Matters**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### **Basis of preparation**

Dementia Matters meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The functional currency is sterling.

#### **Estimation uncertainty and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

#### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

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

#### **Investment income**

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### **Expenditure**

## **Dementia Matters**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £300 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Buildings	2% straight line
Furniture and equipment	25% straight line
Motor vehicles	25% straight line

#### Trade debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

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

Members of Dementia Matters staff administer certain bank accounts holding balances belonging to people for whom we provide care. The balances remain the property of the individuals and as such are not dealt with in these accounts.

#### Trade creditors

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

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

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **Dementia Matters**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and use of the designated funds are set out in the notes to the accounts. Transfers are made to designated funds out of unrestricted funds to meet the purposes for which these funds have been set up.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. For restricted funds received for the purchase and construction of fixed assets, transfers are made out of restricted funds into unrestricted funds once the fixed asset has been purchased or brought into use.

#### **Hire purchase and finance leases**

#### **Pensions and other post retirement obligations**

The charity supports a group personal pension plan for employees. Contributions by the charity are charged to the income and expenditure account as they become payable.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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

##### ***Recognition and measurement***

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

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

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 4 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations from individuals	29,271	29,271	47,498
Grants, including capital grants;			
Government grants	140,021	140,021	-
Grants from other charities	-	-	267,440
	<u>169,292</u>	<u>169,292</u>	<u>314,938</u>

Government grants received in 2021 relate solely to the coronavirus job retention scheme. Of the income received in 2020, £140,498 was unrestricted and £174,440 was restricted.

#### 5 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Home Support	359,741	-	359,741	397,120
Independent Supported Living	-	-	-	293,526
Day Centres	211,957	-	211,957	469,067
Residential Respite Care	255,082	-	255,082	265,709
Other activities	141,233	27,500	168,733	4,554
	<u>968,013</u>	<u>27,500</u>	<u>995,513</u>	<u>1,429,976</u>

All income received above in 2020 was unrestricted.

#### 6 Investment income

	Total 2021 £	Total 2020 £
Interest receivable on bank deposits	<u>-</u>	<u>168</u>

All income received above in 2020 was unrestricted.

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 7 Expenditure on raising funds

##### a) Costs of generating donations and legacies

	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Marketing and publicity	1,404	1,404	22,524

#### 8 Expenditure on charitable activities

	<b>Unrestricted</b>		<b>Total 2021 £</b>	<b>Total 2020 £</b>
	<b>General £</b>	<b>Restricted £</b>		
Relief of persons with Dementia	1,092,466	27,500	1,119,966	1,612,861
Support Cost	349,659	-	349,659	460,259
	<u>1,442,125</u>	<u>27,500</u>	<u>1,469,625</u>	<u>2,073,120</u>

In addition to the expenditure analysed above, there are also governance costs of £7,140 (2020 - £33,234) which relate directly to charitable activities. See note 9 for further details.

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 9 Analysis of governance and support costs

##### Support and Governance costs

	Support costs	Governance	Total	Total
	£	£	2021	2020
	£	£	£	£
Staff costs	10,822	-	10,822	253,258
Staff travel	2,962	-	2,962	327
Premises	33,309	-	33,309	13,959
Communications and IT	72,951	-	72,951	47,868
Legal and professional	26,138	-	26,138	6,094
Audit Fees	-	7,140	7,140	7,140
Bad debt provision	-	-	-	4,320
Depreciation	82,343	-	82,343	75,433
Recruitment expenses	12,362	-	12,362	3,872
Printing, postage and stationary	5,447	-	5,447	10,109
Repairs and renewals	15,310	-	15,310	8,173
Light and heat	44,743	-	44,743	5,489
Insurance	20,887	-	20,887	17,862
Other costs	15,245	-	15,245	6,355
	<u>342,519</u>	<u>7,140</u>	<u>349,659</u>	<u>460,259</u>

The charity allocates costs direct to activities as far as possible, then identified the remaining costs of its support function. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. The basis for apportionment and the analysis of support and governance costs is set out as follows:

- Direct to governance: Accountancy fees, Audit fees and Recruitment costs.
- Estimation of costs allocated as governance: Staff costs
- Direct to charitable activities: Salaries and pensions and all other support costs.

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit fees	7,140	7,140
Depreciation of fixed assets	87,299	97,638
Staff pension contributions	<u>16,274</u>	<u>23,817</u>

#### 11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 12 Staff costs

The aggregate payroll costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	1,007,832	1,521,360
Social security costs	70,705	100,429
Pension costs	16,274	23,817
	<u>1,094,811</u>	<u>1,645,606</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Direct charitable activities	63	76
Management and administration of the charitable company	-	24
	<u>63</u>	<u>100</u>

No employee received emoluments of more than £60,000 during the year.

The number of employees whose emoluments fell within the following bands was:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
£60,001 - £70,000	<u>-</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £213,405 (2020 - £196,759).

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 13 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2020	3,018,390	373,837	93,865	3,486,092
Additions	5,692	2,448	-	8,140
At 31 March 2021	<u>3,024,082</u>	<u>376,285</u>	<u>93,865</u>	<u>3,494,232</u>
<b>Depreciation</b>				
At 1 April 2020	776,946	335,399	91,365	1,203,710
Charge for the year	60,461	26,088	750	87,299
At 31 March 2021	<u>837,407</u>	<u>361,487</u>	<u>92,115</u>	<u>1,291,009</u>
<b>Net book value</b>				
At 31 March 2021	<u>2,186,675</u>	<u>14,798</u>	<u>1,750</u>	<u>2,203,223</u>
At 31 March 2020	<u>2,241,444</u>	<u>38,438</u>	<u>2,500</u>	<u>2,282,382</u>

#### 15 Debtors

	2021 £	2020 £
Trade debtors	76,344	113,533
Prepayments	10,452	16,047
Accrued income	12,659	13,768
Other debtors	-	1,824
	<u>99,455</u>	<u>145,172</u>

Included in trade debtors is a provision for bad debts of £15,608 (2020 - £25,076).

#### 16 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>252,851</u>	<u>118,626</u>

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 17 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	25,667	-
Trade creditors	22,852	5,493
Other taxation and social security	33,637	37,008
Other creditors	70,597	12,628
Accruals	85,305	89,873
Deferred income	38,184	10,000
	<u>276,242</u>	<u>155,002</u>

	2021 £	2020 £
Deferred income at 1 April 2020	10,000	-
Resources deferred in the period	38,184	10,000
Amounts released from previous periods	(10,000)	-
Deferred income at year end	<u>38,184</u>	<u>10,000</u>

Income deferred in the period is in relation to £27,500 from Ballinger Trust, Private care £1,857 and Home care £8,827.

#### 18 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	<u>194,333</u>	<u>-</u>

CBIL loan is repayable over 60 monthly instalments at a margin of 3.19% over base rate, with an interest free period of 12 months after drawdown.

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 19 Obligations under leases and hire purchase contracts

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
<b>Land and buildings</b>		
Within one year	18,269	18,269
Between one and five years	-	18,269
	<u>18,269</u>	<u>36,538</u>
<b>Other</b>		
Within one year	915	1,372
Between one and five years	-	915
	<u>915</u>	<u>2,287</u>

#### 20 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £16,274 (2020 : £23,817).

Contributions totalling £814 (2020 : £3,085) were payable to the scheme at the end of the year and are included in creditors.

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 21 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
<b>Unrestricted</b>					
<i>General</i>					
General Funds	30,233	1,137,305	(1,356,230)	(8,140)	(196,832)
<i>Designated</i>					
Property	2,241,444	-	(60,461)	5,692	2,186,675
Fixed Assets	40,938	-	(26,838)	2,448	16,548
	<u>2,282,382</u>	<u>-</u>	<u>(87,299)</u>	<u>8,140</u>	<u>2,203,223</u>
<b>Total Unrestricted</b>	<u>2,312,615</u>	<u>1,137,305</u>	<u>(1,443,529)</u>	<u>-</u>	<u>2,006,391</u>
<b>Restricted</b>					
Northumberland Dementia Project	75,563	-	-	-	75,563
Outreach centres	1,500	-	-	-	1,500
Ballinger Trust	-	27,500	(27,500)	-	-
Rothley Trust	1,500	-	-	-	1,500
	<u>78,563</u>	<u>27,500</u>	<u>(27,500)</u>	<u>-</u>	<u>78,563</u>
<b>Total restricted</b>	<u>78,563</u>	<u>27,500</u>	<u>(27,500)</u>	<u>-</u>	<u>78,563</u>
<b>Total funds</b>	<u>2,391,178</u>	<u>1,164,805</u>	<u>(1,471,029)</u>	<u>-</u>	<u>2,084,954</u>

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

The specific purposes for which the funds are to be applied are as follows:

#### Property Reserve

This reserve reflects the cost expended in relation to the Bradbury Centre and forecasted expenditure on property in the subsequent year. Depreciation on land and buildings is charged against this reserve.

#### Fixed Asset Reserve

This reserve includes all other fixed assets maintained in the balance sheet as the reserves tied up in these items are not generally available as free reserves. Depreciation on these assets is charged against these reserves.

#### Northumberland Dementia Project

The Ballinger Charitable Trust agreed to fund a 3 year project delivered by Dementia Matters to improve the delivery of dementia services and support in the North East of England. Incoming Resources represent additional grants received under this project during the year. The reserve is used to pay for staff recruitment and training and other set up costs for specific projects. Monies have also been spent to fund the set-up of our new day centre in Cramlington.

#### Outreach centres

We have received grants from Catherine Cookson Trust and Hadrian Trust towards a project of opening up to three outreach centres. Our plans were delayed due to Covid-19 and we will look to undertake this project in due course.

#### Rothley Trust

Grant received to develop a potential new day centre service in north Northumberland.

### 22 Analysis of net assets between funds

	Unrestricted			Total funds £
	General £	Designated £	Restricted £	
Tangible fixed assets	-	2,203,223	-	2,203,223
Net current assets/(liabilities)	(2,499)	-	78,563	76,064
Creditors over 1 year	(194,333)	-	-	(194,333)
Total net assets	(196,832)	2,203,223	78,563	2,084,954

	Unrestricted			Total funds at 31 March 2020 £
	General £	Designated £	Restricted £	
Tangible fixed assets	-	2,282,382	-	2,282,382
Net current assets/(liabilities)	30,233	-	78,563	108,796
Total net assets	30,233	2,282,382	78,563	2,391,178

## Dementia Matters

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 23 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	118,626	134,225	252,851
Debt due within one year	-	(25,667)	(25,667)
Debt due after more than one year	-	(194,333)	(194,333)
Net funds/(debt)	<u>118,626</u>	<u>(85,775)</u>	<u>32,851</u>

  

	At 1 April 2019 £	Cash flow £	At 31 March 2020 £
Cash at bank and in hand	273,425	(154,799)	118,626
Net funds/(debt)	<u>273,425</u>	<u>(154,799)</u>	<u>118,626</u>

#### 24 Related party transactions

There were no related party transactions in the year.

In the opinion of the Trustees, there is no ultimate controlling party other than the Board itself.