

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

| | |
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| Trustees | <p>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)</p> |
| Key Management Personnel | <p>Beverley Reid (appointed 3 December 2020), Andrew Howie, Lindy Greenwood, Hannah Stevens, Rachel Fox, Dr Fraser Quin, (resigned 30 November 2020)</p> |
| Principal Office | <p>The Bradbury Centre Darrell Street Brunswick Villiage Newcastle upon Tyne NE13 7DS</p> <p>The charity is incorporated in England and Wales.</p> |
| Company Registration Number | 02980817 |
| Charity Registration Number | 1045517 |
| Bankers | <p>Nationwide Building Society Northampton Northampton NN3 6NW</p> <p>Barclays Bank Plc Birmingham UK Banking Service Centre PO Box 299 Birmingham B1 3PF</p> |
| Auditor | <p>MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle Upon Tyne NE3 3LS</p> |

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.

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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 Heath 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

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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.

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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.

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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

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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

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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.

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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.

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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.

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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.

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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.

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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 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.

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.

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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.

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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 28/03/2022 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. 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 £ |
|------------------------------------|------|--------------------|-----------------|--------------------|--------------------|
| Income and Endowments from: | | | | | |
| 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> |
| Expenditure on: | | | | | |
| 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) |
| Reconciliation of funds | | | | | |
| 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 £ |
|------------------------------------|------|-------------------------|----------------------|-------------------------|
| Income and Endowments from: | | | | |
| Donations and legacies | 4 | 140,498 | 174,440 | 314,938 |
| Charitable activities | 5 | 1,429,976 | - | 1,429,976 |
| Investment income | 6 | 168 | - | 168 |
| Total income | | <u>1,570,642</u> | <u>174,440</u> | <u>1,745,082</u> |
| Expenditure on: | | | | |
| 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) |
| Reconciliation of funds | | | | |
| 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 £ |
|--|------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 14 | 2,203,223 | 2,282,382 |
| Current assets | | | |
| Debtors | 15 | 99,455 | 145,172 |
| Cash at bank and in hand | 16 | 252,851 | 118,626 |
| | | 352,306 | 263,798 |
| Creditors: Amounts falling due within one year | 17 | (276,242) | (155,002) |
| Net current assets | | 76,064 | 108,796 |
| Total assets less current liabilities | | 2,279,287 | 2,391,178 |
| Creditors: Amounts falling due after more than one year | 18 | (194,333) | - |
| Net assets | | 2,084,954 | 2,391,178 |
| Funds of the charity: | | | |
| Restricted income funds | | | |
| Restricted funds | 21 | 78,563 | 78,563 |
| Unrestricted income funds | | | |
| Unrestricted funds | | 2,006,391 | 2,312,615 |
| Total funds | 21 | 2,084,954 | 2,391,178 |

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 £ |
|--|------|-----------|-----------|
| Cash flows from operating activities | | | |
| Net cash expenditure | | (306,224) | (350,562) |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | 7 | 87,299 | 97,638 |
| Investment income | 6 | - | (168) |
| | | (218,925) | (253,092) |
| Working capital adjustments | | | |
| 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 |
| Net cash flows from operating activities | | (77,635) | (102,474) |
| Cash flows from investing activities | | | |
| Interest receivable and similar income | 6 | - | 168 |
| Purchase of tangible fixed assets | 14 | (8,140) | (52,493) |
| Net cash flows from investing activities | | (8,140) | (52,325) |
| Cash flows from financing activities | | | |
| Drawdown of loans and borrowings | 17 | 220,000 | - |
| Net increase/(decrease) in cash and cash equivalents | | 134,225 | (154,799) |
| Cash and cash equivalents at 1 April | | 118,626 | 273,425 |
| Cash and cash equivalents at 31 March | | 252,851 | 118,626 |

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:

| Asset class | Depreciation method and rate |
|-------------------------|------------------------------|
| 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

| | Unrestricted funds General £ | Total 2021 £ | Total 2020 £ |
|-------------------------|---------------------------------------|--------------------|--------------------|
| Marketing and publicity | 1,404 | 1,404 | 22,524 |

8 Expenditure on charitable activities

| | Unrestricted | | Total 2021 £ | Total 2020 £ |
|---------------------------------|------------------|-----------------|--------------------|--------------------|
| | General £ | Restricted £ | | |
| 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 2021 | Total 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.

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

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

| | 2021 | 2020 |
|------------------------------|---------------|---------------|
| | £ | £ |
| 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:

| | 2021 £ | 2020 £ |
|--|-------------------------|-------------------------|
| Staff costs during the year were: | | |
| 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:

| | 2021 No | 2020 No |
|---|--------------------------|--------------------------|
| 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:

| | 2021 No | 2020 No |
|-------------------|--------------------------|--------------------------|
| £60,001 - £70,000 | - | 1 |

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 £ |
|-----------------------|----------------------------|---------------------------------|------------------------|------------|
| Cost | | | | |
| 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 | 3,024,082 | 376,285 | 93,865 | 3,494,232 |
| Depreciation | | | | |
| 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 | 837,407 | 361,487 | 92,115 | 1,291,009 |
| Net book value | | | | |
| At 31 March 2021 | 2,186,675 | 14,798 | 1,750 | 2,203,223 |
| At 31 March 2020 | 2,241,444 | 38,438 | 2,500 | 2,282,382 |

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 |
| | 99,455 | 145,172 |

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 | 252,851 | 118,626 |

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 £ |
|----------------------------|---------------|---------------|
| Land and buildings | | |
| Within one year | 18,269 | 18,269 |
| Between one and five years | - | 18,269 |
| | <u>18,269</u> | <u>36,538</u> |
| Other | | |
| 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 £ |
|------------------------------------|------------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|
| Unrestricted | | | | | |
| <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> |
| Total Unrestricted | <u>2,312,615</u> | <u>1,137,305</u> | <u>(1,443,529)</u> | <u>-</u> | <u>2,006,391</u> |
| Restricted | | | | | |
| 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> |
| Total restricted | <u>78,563</u> | <u>27,500</u> | <u>(27,500)</u> | <u>-</u> | <u>78,563</u> |
| Total funds | <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 | | Restricted | Total funds |
|----------------------------------|--------------|-----------------|------------|-------------|
| | General £ | Designated £ | £ | £ |
| 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.