

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

Trustees	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)
Charity number	1045517	
Company number	02980817	
Registered office	The Bradbury Centre Darrell Street Brunswick Village Newcastle upon Tyne NE13 7DS	
Auditor	Sumer Auditco Limited Unit 2, Gosforth Park Avenue Newcastle upon Tyne NE12 8EG	
Bankers	Barclays Bank PLC Leicester Leicestershire LE87 2BB	
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX	

DEMENTIA MATTERS

CONTENTS

	Page
Chairman's Statement	1 - 2
Trustees' report	3 - 8
Independent auditor's report	9 - 11
Statement of financial activities	12 - 13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 29

DEMENTIA MATTERS

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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 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 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

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

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

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

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

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

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

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

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

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

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				
Income from:					
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	-
Total income		<u>1,041,412</u>	<u>23,907</u>	<u>1,065,319</u>	<u>1,148,981</u>
Expenditure on:					
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>
Net expenditure and movement in funds		<u>(115,184)</u>	<u>(4,525)</u>	<u>(119,709)</u>	<u>(285,145)</u>
Reconciliation of funds:					
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>
Fund balances at 31 March 2023		<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

Prior financial year		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
Income from:				
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
Expenditure on:				
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
Total expenditure		1,306,079	128,047	1,434,126
Net income and movement in funds		(223,772)	(61,373)	(285,145)
Reconciliation of funds:				
Fund balances at 1 April 2021		2,006,391	78,563	2,084,954
Fund balances at 31 March 2022		1,782,619	17,190	1,799,809

DEMENTIA MATTERS

BALANCE SHEET

AS AT 31 MARCH 2023

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

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

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

DEMENTIA MATTERS

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

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>
Grants receivable for core activities					
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	<u>186</u>	<u>-</u>

6 Raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Total 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 £
Direct costs		
Staff costs	514,065	549,905
Relief of persons with Dementia	91,322	83,198
	<u>605,387</u>	<u>633,103</u>
Share of support and governance costs (see note 8)		
Support	517,814	726,076
Governance	20,192	15,007
	<u>1,143,393</u>	<u>1,374,186</u>
Analysis by fund		
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:	2023	2022
	£	£
For audit services		
Audit of the financial statements of the charity	6,600	6,600
For other services		
All other non-audit services	13,592	8,407

10 Other expenditure

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

	2023 Number	2022 Number
	50	49
Employment costs	2023 £	2022 £
Wages and salaries	682,157	799,133
Social security costs	43,327	40,672
Other pension costs	10,175	10,925
	<u>735,659</u>	<u>850,730</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 £
Cost				
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
Depreciation and impairment				
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
Carrying amount				
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 £
Amounts falling due within one year:		
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	<u>106,333</u>	<u>503,630</u>

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>503,630</u>	<u>547,630</u>
Payable within one year	397,297	44,000
Payable after one year	<u>106,333</u>	<u>503,630</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)
Cash generated from/(absorbed by) operations	<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>