



Registered Number: 03249335
Charity number: 1059015

HERTS ABILITY
(A Company limited by guarantee)

TRUSTEES' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

HERTS ABILITY

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HERTS ABILITY LEGAL AND ADMINISTRATIVE INFORMATION

Herts Ability is registered as a charity and is a company limited by guarantee governed by its Articles of Association.

Company No. 03249335
Charity No. 1059015

Directors/Trustees

The directors of the Charitable company (the Charity) are its trustees for the purposes of charitable law and, throughout this report, are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

| | |
|----------|----------------------------------|
| Trustees | Mr N Dotchin (Chair) |
| | Mrs P Read |
| | Mr K Parker |
| | Mr D Kellett (Resigned 04/11/21) |
| | Mr A Picken |
| | Mrs B McNeil |
| | Mrs A Mehmet-Garrison |
| | V Arey (Appointed 04/11/21) |

| | |
|---------------------------------|--------------------------------|
| Registered and Principal Office | Unit 2 Weltech Business Centre |
| | Ridgeway |
| | Welwyn Garden City |
| | England |
| | AL7 2AA |

HERTS ABILITY
LEGAL AND ADMINISTRATIVE INFORMATION (CONT'D)

Independent examiners

Moore Kingston Smith LLP
4 Victoria Square
Victoria Street
St Albans
Hertfordshire
AL1 3TF

Bankers

The Co-Operative Bank plc
1 Balloon Street
Manchester
M60 4EP

Fund managers

CCLA Fund Managers Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors

Ewart Price
16-18 Church Road
Welwyn Garden City
Herts
AL8 6PS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

At the end of 2021/22, Herts Ability emerged as an even stronger organisation to face the challenges ahead. This is very much down to the staff, and the Board of Trustees would like to thank them for their dedication and commitment to the work of the charity. During the year, it continued to provide services in Hertfordshire and surrounding areas to meet the needs of those with a disability or reduced mobility, including helping 634 people to return to driving.

"I would definitely recommend Herts Ability. They are caring professionals who can assess someone's abilities and help them to get back on the road again if that is what they want. They help to build confidence in the process. They have a range of adaptations to view for different levels of disability and needs." David Gill, Hertfordshire.

The overall strategy in the previous year had been to minimise the financial effects of the pandemic and to plan for an efficient re-start from 12 April 2021. A full programme of driving assessments restarted that month, with the Driving Centre's funding from DfT for 2021/22 remaining the same as for 2020/21. We conducted 850 out of 924 assessments which, while slightly below target, was considered highly satisfactory in the circumstances. We also decided to re-instate the seating assessment service, but decided not to continue with this beyond the end of the year because of demands on staff time and recognition that clients would be better served by social services.

We can now look forward to the year ahead and plan for further growth. The focus for growing the Driving Centre will be on undertaking assessments and expanding the services of the driving school. With this in mind, we will continue to look for alternative premises to the Weltech Centre, which we moved to in October 2020, because of the need for more space.

The East London Hub's opening is now expected to take place later in 2022 - later than planned because of the need to find alternative premises to those originally identified. In March 2022, the bid for funding from the Department for Transport for a Transport Hub at Welwyn Garden City was finally approved, and the aim is get this up and running in the summer of 2022. Subject to acquiring additional funding, we are also looking to provide powered wheelchair and mobility scooter assessments, and to introduce an older drivers' initiative. We will also continue to provide advice aimed at delivering improved mobility and independence for disabled and older people in the community. This strategy is supported by a marketing and communications plan. Work has started on a new website, which will include details of the strategy.

Experience from the pandemic has taught us that things can change quickly and that we have to be flexible in dealing with the challenges we might face. Nevertheless, we have taken the opportunity to map out our future strategy and we will be working towards this during 2022/23.

The Charity's financial position and funds raised continued to be monitored by the Board of Trustees against targets, as part of the budgeting and monitoring process. The position for

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

2021/22 is summarised in Annex 1. In managing the activities of Herts Ability, the Trustees confirm that they have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

A list of the Trustees who served during the year is on page 1. Details of their responsibilities etc are set out in Annex 2. The Board wishes to thank Dave Kellett, who stood down during the year, for his contribution to the work of the Board. All of the Trustees are volunteers, and spent on average 2/3 days per month attending Board and other meetings, and assisting in various aspects of the Charity's operations, including fundraising and marketing. None of the Trustees were paid any remuneration or received any other benefits. There was the opportunity to participate in external (online) training on improving the performance of Boards and good governance, as recommended by the Charity Commission. The Board now has the support of two 'Associate Board Members', as Viv Arey was welcomed onto the Board during the year as a Trustee.

During the year, it was decided that the charity's objectives needed to be revised, to reflect: (i) the fact that supporting services such as the Equipment Centre and Transport Service, whilst popular, had not proved to be viable; (ii) the impact of lockdown caused by Covid-19; and (iii) the requirement to move to smaller commercial premises. These were agreed with the Charity Commission and approved by the Board of Trustees in February 2022. They are set out in Annex 2.

This report has been prepared in accordance with the special provisions of part 15 of The Companies Act 2016 relating to small companies.

The report was approved by the Trustees on the 1st November and signed on their behalf by:



Nigel Dotchin, Chair, Board of Trustees

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022**ANNEX 1****Financial Review 2021/22**

The charity's financial position and funds raised continue to be monitored by the Board of Trustees against targets, as part of the budgeting and monitoring process.

Even before the onset of the Covid-19 pandemic, financial illustrations showed the charity had a high underlying deficit. There was, therefore, a great deal of uncertainty in 2020/21. To help us maintain the service during the outbreak, a business continuity plan was produced, and we were able to benefit greatly from the financial help that came through the Government's furloughing scheme and financial support for the move to the Weltech Centre. The result was that, by the end of the 2021/22 financial year, Herts Ability was in a far better financial position than it had been. The trading surplus of £34.8k in 2021/22 had increased from £25.4k in 2020/21, so the charity is clearly moving in the right direction.

Other financial considerations**Reserves**

It is the policy of the charity to maintain sufficient free reserves to support any shortfall in funding, replacement of capital items, unforeseen expenditure and deficits. Historically, the charity has taken the view that this should ideally be around 6 months of expenditure. In 2021/22, reserves were indeed at the required level of 6 months (compared with 4.7 months in 2020/21).

The reserves reduction of £578k included a one-off adjustment to derecognise the defined benefit pension scheme surplus amounting to £621k. The charity reported a surplus of £43k relating to charitable activities surplus and fixed assets disposal gains.

The Board is of the view that, with the planning and budgeting that is now in place, the reserves will continue to be at a manageable level.

Investment policy

The assets of Herts Ability at 31 March 2022 included tangible fixed assets of £9.1k, current assets to the value of £305.2k and a fixed asset investment of £101.3k (compared with £57.1k in 2020/21), held in COIF Charities investment fund-income units. These investments are readily realisable in normal market conditions, and a buffer to cover any further deficits or outflows.

The Investment policy, applied to the fixed asset investments, has historically been based on a policy of low risk with a reasonable capital growth in the medium to longer term and income. Consideration is also given to the ethical nature of the investment.

Defined Benefit Pension Scheme Commitment

The Charity participates in the Local Government Pension Scheme, which is a multiple employer scheme, in relation to certain employees. The most recent FRS 102 valuation provided by Hymans Robertson LLP in April 2021 shows a pensions surplus of £715k compared with a surplus of £623k in 2020/21. In the year an adjustment has been made to derecognise the pension surplus as it is not under the control of the charity.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

mobility | independence | advice

Following changes in government rules, we were advised that there would be nothing more to pay into the local government pension scheme for at least the next year.

Donations and Fundraising

During 2021/22, the Driving Centre generated its own income, but the charity also continued to partly finance its activities by donations. These totalled £4.2k in 2021/22, of which £20k was a legacy payment.

As for our fundraising programme, despite the easing of Covid-19 restrictions during the year, opportunities for holding events remained minimal, and so brought in an insignificant amount of money. As a result, it was decided that the focus of the new fundraising strategy developed by the Board and CEO should now be on corporate fundraising.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022**ANNEX 2****Constitution**

Herts Ability is registered as a company limited by guarantee and was set up, under the previous name of Hertfordshire Action on Disability, by a Memorandum of Association on 13 September 1996. The Memorandum and Articles were revised in September 2018 and February 2022.

Trustees' Responsibilities

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

Where turnover does not reach over £1m (for which a full audit is needed), 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 charitable company and of its income and expenditure for that period. In preparing these statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a SORP applies and the methods and principles in the SORP have been observed, subject to any material departures which are explained in the financial statements;
- 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 proper accounting records that 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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

None of the Trustees had any beneficial interest in any contract to which the organisation was party during the year.

Method of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected for a period of three years and co-opted under the terms of the Articles of Association. At the end of the three-year term, the retiring Trustees have the option to stand for re-election. Recruitment of new Trustees is based on an identified skills gap.

The Board has adopted the Good Governance Code for Voluntary and Community Organisations, and new Trustees are duly inducted into the work of the organisation.

Remuneration Policy

The governing principles of Herts Ability's remuneration policy are as follows:

- to ensure delivery of the Charity's objectives;
- to attract and retain a motivated workforce with the skills and expertise necessary for organisational effectiveness;
- to ensure that remuneration is equitable and coherent across the organisation;
- to take account of the purposes, aims and values of the Charity;
- to ensure that pay levels and pay increases are appropriate in the context of the interests of our beneficiaries.

In deciding remuneration for Herts Ability's senior management team, the Charity considered the potential impact of remuneration levels and structures of senior executives on the wider Charity workforce, and took account of the following additional principles:

- to ensure that the Charity can access the types of skills, experiences and competencies needed in its senior staff, and that the specific scope of these roles in the Charity and the link to pay should be recognised;
- the wider employment offer made to senior employees should recognise that pay is one part of a package that includes personal development, personal fulfilment and association with the public benefit delivered. The Charity recognises that it is, on occasion, possible to attract senior executives at a discount to public sector or private sector market rates.

Staff remuneration for the year ended 31 March 2022 comprised salary and pension contributions. The total remuneration of the senior management team was £107,360

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022**Aims and Objectives of Herts Ability**

The principal aim of Herts Ability continues to be the provision of services to meet the needs of disabled people in the County of Hertfordshire and surrounding area that currently includes parts of Bedfordshire, Buckinghamshire, Cambridgeshire and North London.

The objectives of the Charity are concerned with “delivering innovative, affordable and practical services to disabled people”. As the population as a whole ages, more and more people will need help to keep mobile and independent, and the charity has an important role to play here as well.

During 2017-18 it was agreed to update the charity’s objectives, to bring greater clarity to the organisation’s role. These were agreed with the Charity Commission, and duly agreed by the Board of Trustees in May 2018. The objectives were further revised in light of the pandemic in 2020/21, and the financial circumstances of Herts Ability identified at the end of that reporting year. These were agreed with the Charity Commission and approved by the Board of Trustees in February 2022. They are now:

To relieve and assist people with physical and cognitive difficulties, as well as those people with reduced mobility, or those who may be vulnerable to such conditions by reason of age or illness, in any way which shall, for the time being, be charitable in law. We will do this by:

- (a) promoting the improvement of standards of driving, and the advancement of road safety and travel;
- (b) the provision and assessment of equipment;
- (c) providing advice and signposting to clients, which could provide a springboard to other activities; and
- (d) promoting and organising co-operation with other authorities and voluntary organisations in the achievement of the above objectives.

In updating our objectives, the Trustees have given due consideration to the Charity Commission’s published guidance on the operation of the Public Benefit requirement.

Independent Examiner's Report to the Members of Herts Ability

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Respective Responsibilities of Trustees and Examiner

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Silvia Vitiello

For and on behalf of Moore Kingston Smith LLP
Chartered Accountants

4 Victoria Square
St. Albans
Hertfordshire
AL1 3TF

Date: 10 November 2022

HERTS ABILITY
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

| | | 2022 | | | | 2021 | | | |
|--|-----------|------------------------------------|-----------------|-----------------------|------------------|------------------------------------|-----------------|-----------------------|------------------|
| | Note | Unrestricted Funds General £ | Designated £ | Restricted Funds £ | Total Funds £ | Unrestricted Funds General £ | Designated £ | Restricted Funds £ | Total Funds £ |
| INCOME AND ENDOWMENTS: | | | | | | | | | |
| Donations & Legacies | 2 | 24,167 | - | - | 24,167 | 21,391 | - | 156,476 | 177,867 |
| Income from Charitable activities | 4 | 158,847 | - | 331,562 | 490,409 | 121,448 | - | 231,293 | 352,741 |
| Other trading activities | | 143 | - | - | 143 | 140 | - | - | 140 |
| Income from investments | 3 | 2,343 | - | - | 2,343 | 1,713 | - | - | 1,713 |
| Total Income and Endowments | | 185,500 | - | 331,562 | 517,062 | 144,692 | - | 387,769 | 532,461 |
| EXPENDITURE: | | | | | | | | | |
| Expenditure on raising funds | | - | - | - | - | 3,934 | - | - | 3,934 |
| Expenditure on Charitable activities | 5, 6 | 152,979 | - | 333,562 | 486,541 | 120,015 | - | 392,867 | 512,882 |
| Total Expenditure | | 152,979 | - | 333,562 | 486,541 | 123,949 | - | 392,867 | 516,816 |
| Income & Expenditure Sub-Total | | 32,521 | - | (2,000) | 30,521 | 20,743 | - | (5,098) | 15,645 |
| Gain/(Loss) on revaluation of investment assets | 9 | 4,262 | - | - | 4,262 | 9,789 | - | - | 9,789 |
| Net (Expenditure)/Income before transfers | | 36,783 | - | (2,000) | 34,783 | 30,532 | - | (5,098) | 25,434 |
| Transfers between funds | | 1,999 | - | (1,999) | - | (23,000) | - | 23,000 | - |
| Net (Expenditure)/Income after transfer between funds | | 38,782 | - | (3,999) | 34,783 | 7,532 | - | 17,902 | 25,434 |
| Other recognised gains/(losses) | | | | | | | | | |
| Gain on disposal of fixed assets | | 8,701 | - | - | 8,701 | - | - | - | - |
| Actuarial gains/(losses) on Defined Benefit Pension Schemes | 14 | - | - | 94,000 | 94,000 | - | - | 78,000 | 78,000 |
| Loss on derecognition of Defined Benefit Pension Schemes | 14 | - | - | (715,000) | (715,000) | - | - | - | - |
| Net movement in funds | | 47,483 | - | (624,999) | (577,516) | 7,532 | - | 95,902 | 103,434 |
| Reconciliation of funds | | | | | | | | | |
| Balance brought forward at 1st April 2021 | | 198,417 | - | 624,999 | 823,416 | 190,885 | - | 529,097 | 719,982 |
| Balance carried forward at 31st March 2022 | 12 | 245,900 | - | - | 245,900 | 198,417 | - | 624,999 | 823,416 |

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

HERTS ABILITY
BALANCE SHEET AT 31 MARCH 2022

| | Note | 2022 £ | 2021 £ |
|---|------|----------------|----------------|
| Fixed Assets | | | |
| Tangible fixed assets | 8 | 9,116 | 11,992 |
| Investments | 9 | <u>101,338</u> | <u>57,076</u> |
| | | 110,454 | 69,068 |
| Current Assets | | | |
| Stocks | | - | 365 |
| Debtors | 10 | 31,543 | 13,645 |
| Cash at bank and in hand | | <u>273,655</u> | <u>421,827</u> |
| | | 305,198 | 435,837 |
| Creditors: Amounts falling due within one year | 11 | (169,752) | (304,489) |
| Net Current Assets | | <u>135,446</u> | <u>131,348</u> |
| Total Assets less Current Liabilities | | 245,900 | 200,416 |
| Defined Benefit Pension Scheme Surplus | 14 | - | 623,000 |
| Net Assets | | <u>245,900</u> | <u>823,416</u> |
| Funds | | | |
| Restricted funds | 12 | - | 1,999 |
| Unrestricted funds | | | |
| - General funds | 12 | 245,900 | 198,417 |
| Defined Benefits Pension Scheme | 14 | - | 623,000 |
| Total Funds | | <u>245,900</u> | <u>823,416</u> |

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 11 to 20 were approved by the Executive Committee and signed on its behalf by :



N Dotchin
Chairman

Date: 01/11/2022

Company number - 03249335



A Picken
Trustee

Date: 01/11/2022

HERTS ABILITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 £ | 2021 £ |
|---|-----------------------|-----------------------|
| Cash flows from operating activities | | |
| Net (Expenditure)/ income for the year | (577,516) | 103,434 |
| Adjustments for: | | |
| Depreciation of tangible fixed assets | 5,337 | 3,191 |
| (Gains)/losses on investments | (4,262) | (9,789) |
| (Gains)/losses on fixed assets | (8,701) | - |
| Dividends, interest and rents from investments | (2,343) | (1,713) |
| Decrease/ (increase) in stocks | 365 | 38,532 |
| Decrease/ (increase) in debtors | (17,898) | 1,501 |
| (Decrease)/ increase in creditors | (134,737) | 222,539 |
| Defined Benefits Pension Scheme movement | <u>623,000</u> | <u>(101,000)</u> |
| Net cash (used in) / generated by operating activities | <u>(116,755)</u> | <u>256,695</u> |
| Cash flows from investing activities | | |
| Dividends, interest and rents from investments | 2,343 | 1,713 |
| Purchase of tangible fixed assets | (3,760) | (10,702) |
| Proceeds from the sale of fixed assets | 10,000 | - |
| Purchase of investments | <u>(40,000)</u> | <u>-</u> |
| Net cash from investing activities | <u>(31,417)</u> | <u>(8,989)</u> |
| Change in cash and cash equivalents in the year | (148,172) | 247,706 |
| Cash and cash equivalents at beginning of year | <u>421,827</u> | <u>174,121</u> |
| Cash and cash equivalents at end of year | <u><u>273,655</u></u> | <u><u>421,827</u></u> |

Analysis of changes in net debt

| | At start of year | Cash flows | Fair value movements | At end of year |
|------------------|---------------------|------------------|-------------------------|-------------------|
| Cash | 421,827 | (148,172) | - | 273,655 |
| Cash equivalents | 57,076 | 40,000 | 4,262 | 101,338 |
| Total | <u>478,903</u> | <u>(108,172)</u> | <u>4,262</u> | <u>374,993</u> |

HERTS ABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting Policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the Charities SORP FRS 102 (second edition - October 2019) - 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 and the Companies Act 2006 and Charities Act 2011.

1.2. Going Concern

The trustees have assessed whether the use of going concern is appropriate and have considered financial information for the current year to date, projections and possible events, including any on-going impact of Covid-19, or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern and concluded that going concern is an appropriate basis on which to draw up the accounts.

1.3. Incoming resources

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Donations and grants, including grants in respect of major items of refurbishment, improvements or the purchase of fixed assets are recognised in the Statement of Financial Activities when receivable. Where income is received in advance of meeting any performance-related conditions, there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met.

1.4. Resources expended

Expenditure is included in the Statement of Financial Activities on accruals basis. Expenditure is recognised once there is a legal or constructive obligation which can be measured reliably.

1.5. Fund Accounting

General unrestricted funds are those available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are also unrestricted funds, but have been designated by the trustees for a particular purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The surplus of the defined benefit pension scheme is only available to the charity to offset against the schemes' future obligations and recognised as restricted funds.

1.6. Tangible fixed assets and depreciation

Depreciation of tangible fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful life.

| | | | |
|------------------------|---|-------|---------------|
| Leasehold Improvements | - | 10% | straight line |
| Motor Vehicles | - | 25% | straight line |
| Fixtures & Fittings | - | 20% | straight line |
| Computer Equipment | - | 33.3% | straight line |

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

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

1.7. Fixed Assets Investments

Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on revaluation of investment assets' and are allocated to the appropriate fund holding or disposing of the relevant investment.

1.8. Stocks

Stocks of goods for resale are stated at the lower of cost and net realisable value.

1.9. Pension costs and other post-retirement benefits

The charity operates a defined benefit pension scheme and two defined contribution pension schemes. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

The reporting requirements of FRS102 have been applied.

1.10 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. No items in these financial statements include significant judgements and estimates that management has made in the process of applying these accounting policies or that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year.

1.11 Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised costs using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured as the present value of the future receipts discounted at a market rate of interest.

1.12 Financial Liabilities

Basic financial liabilities are initially measured at transaction price

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

2 DONATIONS AND LEGACIES

| | £ | £ | £ | £ | 2022 £ Total | 2021 £ Total |
|--|-----------------------|-----------------------|-------------------|---------------|--------------------|--------------------|
| | Equipment Services | Transport Services | Driving Centre | Other | | |
| Other donations & gifts in kind | - | - | - | 4,167 | 4,167 | 21,391 |
| Legacies | - | - | - | 20,000 | 20,000 | - |
| Coronavirus Job Retention Scheme grant | - | - | - | - | - | 156,476 |
| Total | - | - | - | 24,167 | 24,167 | 177,867 |

3 INCOME FROM INVESTMENTS

| | 2022 £ | 2021 £ |
|-------------------------|--------------|--------------|
| Income from investments | 2,250 | 1,671 |
| Interest received | 48 | 42 |
| Commission | 45 | - |
| Total | 2,343 | 1,713 |

4 INCOME FROM CHARITABLE ACTIVITIES

| | 2022 £ | 2021 £ |
|--------------------------------------|----------------|----------------|
| Equipment Services | | |
| Woodside Equipment Centre shop sales | - | 48,811 |
| Wheelchair Hire | - | 999 |
| High Back Chair Hire | - | 25 |
| Other equipment services | - | 100 |
| Equipment Services Total | - | 49,935 |
| Driving Centre | 407,925 | 253,015 |
| OT Services | 22,470 | 15 |
| Other | 60,014 | 49,776 |
| Total | 490,409 | 352,741 |

The charity received government grants totalling £297k (2021: £212k) from the Department of Transport to fund the provision and development of its Driving Centre.

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

| | 2022 £ | 2021 £ |
|---|-----------------------|-----------------------|
| 5 EXPENDITURE ON CHARITABLE ACTIVITIES | | |
| Direct Service Costs | 96,872 | 114,083 |
| Direct Staff Costs | 221,966 | 290,893 |
| Support Costs (see below, including indirect staff costs) | <u>167,703</u> | <u>107,906</u> |
| Total | <u>486,541</u> | <u>512,882</u> |

Support costs are those shared costs which relate to the operation of the organisation and include:

| | | |
|---------------------------------------|-----------------------|-----------------------|
| Management | 56,149 | 52,684 |
| Finance | 11,739 | 16,556 |
| Office Services (including Reception) | 65,491 | 6,457 |
| Human Resources | 1,445 | 1,415 |
| Health & Safety | 2,112 | 2,450 |
| IT | 11,512 | 20,447 |
| Strategic Planning | - | - |
| Research | - | - |
| Audit Fees | 3,750 | 3,500 |
| External Consulting | - | - |
| PR & Marketing | 14,873 | 3,681 |
| Other | 632 | 716 |
| Total | <u>167,703</u> | <u>107,906</u> |

| | | |
|--|--------------|--------------|
| 6 NET EXPENDITURE | 2022 | 2021 |
| Net (expenditure)/income is stated after charging: | £ | £ |
| Depreciation | 5,337 | 3,191 |
| Independent examiner's fees | <u>3,750</u> | <u>3,500</u> |

| | | |
|---|-----------------------|-----------------------|
| 7 STAFF COSTS AND NUMBERS | 2022 | 2021 |
| | £ | £ |
| Wages and salaries | 279,788 | 318,132 |
| Social security costs | 22,553 | 24,205 |
| Redundancy Cost | - | 29,765 |
| Pension costs - FRS102 charge | 2,000 | 1,000 |
| Pension costs - Defined contribution scheme | 4,896 | 6,108 |
| | <u>305,237</u> | <u>379,210</u> |

| | | |
|---|------------------|------------------|
| | no. | no. |
| The average monthly number of staff during the year was as follows: | | |
| Employees (full time equivalent) | <u>17</u> | <u>16</u> |

No employees received employee benefits (excluding employer pension costs) of more than £60,000 in the current or preceding financial period.

Redundancy costs were paid out to personnel as part of a restructuring of the charity in the period.

There are no key personnel, non-executive trustees were used in conjunction with other senior personnel of the organisation

The total employee benefits of the Charity's key management personnel were £107,360 (2021: £140,413)

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

8 TANGIBLE FIXED ASSETS

| | Leasehold Improvements £ | Motor Vehicles £ | Furniture and Equipment £ | Total £ |
|-----------------------|---|---------------------------------|--|--------------------|
| Cost | | | | |
| At 1 April 2021 | 110,797 | 6,001 | 93,131 | 209,929 |
| Additions | - | - | 3,760 | 3,760 |
| Disposals | (110,797) | (6,001) | (80,972) | (197,770) |
| At 31 March 2022 | - | - | 15,919 | 15,919 |
| Depreciation | | | | |
| At 1 April 2021 | 110,797 | 4,000 | 83,140 | 197,937 |
| Charge for year | - | 1,500 | 3,837 | 5,337 |
| Disposals | (110,797) | (5,500) | (80,174) | (196,471) |
| At 31 March 2022 | - | - | 6,803 | 6,803 |
| Net book value | | | | |
| At 31 March 2022 | - | - | 9,116 | 9,116 |
| At 1 April 2021 | - | 2,001 | 9,991 | 11,992 |

9 FIXED ASSET INVESTMENTS

| | Investments £ |
|--------------------------|--------------------------|
| Cost | |
| At 1 April 2021 | 22,561 |
| Additions | 40,000 |
| At 31 March 2022 | 62,561 |
| Revaluation | |
| At 1 April 2021 | 34,515 |
| Revaluation for the year | 4,262 |
| At 31 March 2022 | 38,777 |
| Net book value | |
| At 31 March 2022 | 101,338 |
| At 1 April 2021 | 57,076 |

All of the Fixed Asset Investments are held in the UK. The investments are held in the COIF Charities Investment Fund, managed by CCLA Fund Managers Limited.

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

| 10 DEBTORS | 2022 £ | 2021 £ |
|--------------------------------|---------------|---------------|
| Due within one year | | |
| Trade Debtors | 5,760 | 420 |
| Prepayments and accrued income | 25,219 | 11,558 |
| Other debtors | 564 | 1,667 |
| | <u>31,543</u> | <u>13,645</u> |

| 11 CREDITORS | 2022 £ | 2021 £ |
|-------------------------------------|----------------|----------------|
| Amounts falling due within one year | | |
| Bank loans | - | 50,000 |
| Trade creditors | 20,136 | 23,206 |
| Accruals and deferred income | 143,082 | 225,846 |
| Social security and other taxes | 5,285 | 3,985 |
| Other creditors | 1,249 | 1,452 |
| | <u>169,752</u> | <u>304,489</u> |

Bank loan relates to Government Bounce Back loan, which is interest free for the period of 12 months.

| | | |
|---------------------------------|----------------|----------------|
| Deferred income brought forward | 222,346 | - |
| Deferred income released | (222,346) | - |
| Deferred income charged | 132,842 | 222,346 |
| Deferred income carried forward | <u>132,842</u> | <u>222,346</u> |

12 STATEMENT OF FUNDS

| | Brought Forward £ | Incoming Resources £ | (Resources Expended) £ | Gains/(Losses) £ | Derecognition of pension fund surplus £ | Transfers £ | Carried Forward 2022 £ |
|---|-----------------------|-------------------------|---------------------------|-----------------------|--|-----------------|---------------------------|
| UNRESTRICTED FUNDS | | | | | | | |
| General funds | 198,417 | 185,500 | (152,979) | 12,963 | - | 1,999 | 245,900 |
| Unrestricted funds total | <u>198,417</u> | <u>185,500</u> | <u>(152,979)</u> | <u>12,963</u> | <u>-</u> | <u>1,999</u> | <u>245,900</u> |
| RESTRICTED FUNDS | | | | | | | |
| OT Services | - | 2,008 | (2,008) | - | - | - | - |
| Transport and Driving Centre | 1,999 | 297,390 | (299,390) | - | - | 1 | - |
| Relocation | - | 32,164 | (32,164) | - | - | - | - |
| Restricted funds total | <u>1,999</u> | <u>331,562</u> | <u>(333,562)</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| Total of Funds before DBPS | 200,416 | - | - | - | - | 2,000 | 245,900 |
| Defined Benefits Pension Scheme surplus | 623,000 | - | - | 94,000 | (715,000) | (2,000) | - |
| Total of Funds | <u>823,416</u> | <u>517,062</u> | <u>(486,541)</u> | <u>106,963</u> | <u>-</u> | <u>-</u> | <u>245,900</u> |

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds 2022 £ | Designated Funds 2022 £ | Restricted Funds 2022 £ | Total Funds 2022 £ | Total Funds 2021 £ |
|---|---------------------------------|-------------------------------|-------------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 9,116 | - | - | 9,116 | 11,992 |
| Fixed asset investments | 101,338 | - | - | 101,338 | 57,076 |
| Current assets | 305,198 | - | - | 305,198 | 435,837 |
| Creditors due within one year | - 169,752 | - | - | - 169,752 | (304,489) |
| Sub total | <u>245,900</u> | <u>-</u> | <u>-</u> | <u>245,900</u> | <u>200,416</u> |
| Defined Benefits Pension Scheme surplus - see note 14 | - | - | - | - | 623,000 |
| Total | <u>245,900</u> | <u>-</u> | <u>-</u> | <u>245,900</u> | <u>823,416</u> |

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

14 PENSION COMMITMENTS

The Charity is party to a defined benefit scheme in relation to some employees, operates a Stakeholder Pension Scheme for certain employees and participates in the people's pension for relevant employees. From 1 April 2003 the Charity closed the Defined Benefit Scheme to new entrants. The Charity's contribution to the Stakeholder Pension Scheme is 4% of the employee pensionable salary on a matching basis.

Regarding the defined benefit scheme, the Charity participates in a Local Government Pension Scheme, which is a multiple employer scheme, in relation to certain employees. The most recent FRS 102 valuation provided by Hymans Robertson LLP in April 2022 shows a pensions surplus of £715k compared with a surplus of £623k in 2020/21. The Charity continues to fund the pension commitment by payment of contributions as determined by the actuaries.

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Amounts recognised in the balance sheet | | |
| Fair value of plan assets | - | 1,722,000 |
| Present value of funded liabilities | - | (1,099,000) |
| | - | 623,000 |
| Amounts recognised in the SOFA | | |
| Net Service cost | (14,000) | 11,000 |
| Net Interest | 12,000 | 12,000 |
| Employer contributions paid | - | 22,000 |
| Actuarial gain/(loss) of Defined Benefit Schemes | 94,000 | 78,000 |
| Fair Value of Plan Assets | | |
| Opening Fair value of Plan Assets | 1,722,000 | 1,435,000 |
| Contributions paid | 2,000 | 24,000 |
| Benefits paid | (37,000) | (33,000) |
| Return on assets | 33,000 | 33,000 |
| Actuarial gains/(losses) | 37,000 | 263,000 |
| Closing Fair value of Plan Assets | 1,757,000 | 1,722,000 |
| Defined Benefit Obligation | | |
| Opening defined benefit obligation | 1,099,000 | 913,000 |
| Service cost | 14,000 | 11,000 |
| Interest | 21,000 | 21,000 |
| Contributions | 2,000 | 2,000 |
| Actuarial losses/(gains) | (57,000) | 185,000 |
| Benefits paid | (37,000) | (33,000) |
| Closing defined benefit obligation | 1,042,000 | 1,099,000 |

Pension costs are allocated based on the staff costs of the employees engaged in the relevant activities.

The surplus (asset) indicated by the difference between the value of the Scheme assets and the DBO has not been recognised on the Balance Sheet in accordance with FRS102 Section 28.22. The employer does not have a right to a refund of the surplus.

15 RELATED PARTIES

During the year £Nil (2021: £173) travel expenses were reimbursed to trustees. There are otherwise no related party transactions that require disclosure.

16 SHARE CAPITAL

The Charity is a company limited by guarantee.