

Company registration number: 04394760

Charity registration number: 1093512

Age UK Hereford and Localities

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Young & Co
Chartered Accountants and Registered Auditors

St Ethelbert House
Ryelands Street
Hereford
HR4 0LA

Age UK Hereford and Localities

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Age UK Hereford and Localities

Reference and Administrative Details

Trustees	Mr D Hunt Mr A R Auer Ms K Morum Mrs J Steels Mr B Khumalo
Principal Office	Unit 10 Northern Lights Business Park Clinton Road Leominster Herefordshire HR6 0SW
Registered Office	Unit 10 Northern Lights Business Park Clinton Road Leominster Herefordshire HR6 0SW The charity is incorporated in England and Wales.
Company Registration Number	04394760
Charity Registration Number	1093512
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent Examiner	Young & Co Chartered Accountants and Registered Auditors St Ethelbert House Ryelands Street Hereford HR4 0LA

Age UK Hereford and Localities

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2022.

Trustees

Mrs C M Bucknell, Chair (Resigned 3 June 2021)

Dr K R Herbst, Vice Chair (Resigned 1 October 2021)

Mrs F Galliers-Pratt, Treasurer (Resigned 10 December 2021)

Mr S T Marriott (Resigned 10 December 2021)

Mrs P M Wilkin MBE (Resigned 22 July 2021)

Mr R Hopkins (Resigned 11 June 2021)

Mr D Hunt, Chair (Appointed as Chair 3 June 2021 and as Trustee 1 January 2017)

Mrs J Hall (Resigned 19 June 2020)

Mr A R Auer (Appointed 12 February 2021)

Ms K Morum (Appointed 12 February 2021)

Mrs J Steels (Appointed 12 February 2021)

Mr B Khumalo (Appointed 10 December 2021)

We thank our outgoing Trustees for their long and dedicated service to the charity and wish them well for the future. We also welcome our new Trustees to the board and look forward to working with them and to their contributions to the charity.

Objectives and activities

Objects and aims

- To provide services, support and assistance to older people, their families and carers, which will enable them to lead healthy, fulfilling, comfortable and independent lives for as long as possible, within their own homes and remain part of their community.
- To provide support which will help people through difficult times, addressing poverty and deprivation as well as health and wellbeing issues experienced in later life.
- To reduce loneliness and isolation by supporting people to reconnect with their community and for those individuals who are unable to do so, provide companionship and emotional support.
- To take a holistic, person centred approach which will better meet the needs of older people. This is particularly important when people are faced with making lifestyle changes due to illness, change in circumstances, following a bereavement or deterioration in health.

Age UK Hereford and Localities

Trustees' Report

Public benefit

Age UK Hereford and Localities Limited's charitable purpose is enshrined in its objectives and delivers public benefit through the work it performs in delivering these objectives.

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.

Structure, governance and management

Nature of governing document

Age UK Hereford and Localities Limited is a company limited by guarantee, and is governed by its Memorandum and Articles of Association. It was incorporated under the name of Age Concern Leominster and District on 14 March 2002, and changed its name to Age Concern Hereford and Localities on 15 July 2010 following a section 64 agreement (a change of area of benefit). Its name then changed again to Age UK Hereford and Localities Limited on 24 July 2013 following a change of name for the national charity. On 21 February 2020 the Company adopted a new Memorandum and Articles of Association that had also been approved by the Charity Commission. We have also added an option for the Chair to hold office for an additional year should the need arise. Age UK Hereford & Localities is a local independent charity, a member of the Age England Association, a Brand Partner of Age UK. It is registered as a charity with the Charity Commission.

Recruitment and appointment of Trustees

The Directors of the company are also charity Trustees for the purpose of charity law. The Memorandum and Articles of Association state that Trustees are elected to serve for a period of three years, including the Chairman, who is elected for a period of three years and can be elected for a further period of three years.

Induction and training of Trustees

New Trustees undergo an induction session to brief them on their legal obligations under charity and company law as well as providing a broad picture of the activities of the charity and its policies and procedures. This is encompassed in a Trustees' handbook which is regularly updated and provides a ready reference point for the most generally used information. DBS checks are carried out on Trustees if they are actively involved in service activity within the organisation.

The organisation aims to have an annual away day for Trustees and the Chief Officer to look at the strategic direction of the organisation. Trustees have the opportunity to visit all activities organised by the charity and meet older people who use the services we provide.

Trustees receive papers for meetings electronically which ensures that they have access to the latest version of all documentation and are kept in the charity's secure file server. This includes communication from Age UK at a national and regional level.

The key manager was Kay Hurdidge who was Chief Officer until 14 May 2021. Her remuneration was set by the Board. The new Chief Executive Officer, Susan Mosley, joined the charity in September 2021.

Age UK Hereford and Localities

Trustees' Report

Organisational structure

The board meets bi-monthly or monthly if required. The board has an investment subcommittee. Other groups focusing on specific areas are convened as and when required and report to all Trustees at full board meetings.

The Trustees have overall responsibility for ensuring that the charity has systems of internal controls in place across the organisation. These are designed to provide reasonable but not absolute assurance against material misstatement or loss. Internal control processes include policies and procedures for managing finances, risk, and employment. The Trustees produce the strategic objectives with their short term and long term goals. The Trustees approve the budgets annually and they receive regular financial reports.

The Chief Executive Officer has delegated responsibility for day to day management and decision-making as appropriate. She retains responsibility for ensuring that the charity delivers the services specified, for staff supervision and appraisals, and for ensuring that the staff team continue to develop their skills and working practices in line with good practice.

Age UK Hereford and Localities

Trustees' Report

Report from the Chief Executive Officer for Year to 31 March 2022

As we start to manage the impact of the post-Covid challenges, the team are looking forward to the next phase in the development of the charity to meet the needs of older people in our community.

We plan to move our operations to a more appropriate location, allowing us to grow our services in response to the increase in demand, provide a safe environment for our services users and positive working space for the team.

The need to bring in funds to ensure the sustainability of the charity remains a priority and we are looking to diversify income streams to reduce the reliance on grant making trusts.

Information and Advice Service

Our team of dedicated staff and volunteers provide a free, independent and confidential Information and Advice Service to people aged 50 and over, and to their families, carers and friends, across the county. As well as identifying potential additional income and grants to support our service users, the team help people to complete applications and benefit forms, resolve consumer issues, provide impartial information and advice about residential and nursing home fees, paying for care at home, tax, pensions, housing and utilities.

The team supported over 4800 individuals, and worked with 883 service users to enable them to draw down over £850,000 in benefits, entitlements and grants which improved their quality of life and enabled them to live independently for longer in their homes.

Face to face appointments are carried out from our Leominster and Ledbury offices, with outreach sessions in Bromyard and Hereford each week.

Reaching You Services

The delivery of practical support to those living in the community continues to be a much-needed service. Over 250 contacts each month have been recorded, and the demand for our gardening and handyman services has remained constant as we emerge from the pandemic.

Our Care Call volunteers continue to reach out to those older people who are living alone. This regular contact is important to our service users, many of who are housebound and have little social interaction, made even worse due to lockdowns and feeling vulnerable and anxious about leaving the house post-Covid.

When needed, our volunteers can offer advice and help either directly or by signposting to another of our services for additional support.

Our new Sheds Together Project has will deliver an opportunity for those in the community who may be feeling lonely/isolated to meet, socialise and learn/share practical skills. Plans to launch 4 sheds across the county are underway.

Foot Care

The relaunch of our foot care service in 8 locations across the county have provided much-needed service for older people, enabling our service users to maintain mobility and independence.

Health and Wellbeing service

Social activity sessions have resumed across the county, with numbers starting to grow as our service users feel more confident to leave their homes after the pandemic.

Age UK Hereford and Localities

Trustees' Report

Volunteers

Without the regular support from our committed team of volunteers, we could not run the range of services on offer to over 50s across the county. We are grateful for their continued support and look forward to growing the team as we increase our delivery.

Staff

The staff team continue to work hard to deliver our services and support the CEO to plan the way forward for the charity.

Our regular Quality Assurance feedback record a consistent 9.8/10 for our services and we are proud to maintain such a highly thought of service across Herefordshire.

A message to our funders

On behalf of the trustees, staff and volunteers I would like to thank our funders who support us to be able to carry out the work needed to ensure that older people in our community can live fulfilled, independent lives for longer.

Age UK Hereford and Localities

Trustees' Report

Treasurer's Report for Year to 31 March 2022

Income

The year commenced with optimism as the economy opened after the Covid Lockdowns. Despite the confidence infused by the rolling out of the vaccines, there was great hesitancy in the public to rush back to close contact interactions. Our Footcare activities suffered as a result. Footcare income was 25% of the pre-pandemic level. In comparison, Reaching You income was unaffected keeping to the same levels as in 2019-20. Our annual income was down by £31,380. A 15% drop from the previous year. However, it must be noted that last year we benefited from the Government's Covid grant (c £60,000). which is totally absent this year. Despite this our total income was only 7% down, thanks to some stellar fundraising work by our new CEO, Sue Mosley.

We continued to receive very generous and vital support from charitable trusts, most notably Eveson and the Jordan Foundation.

In terms of the overall breakdown, legacies represented the most important source of income (34%), followed by Covid Grants (29%), Age UK grants (18%), and grants from charitable trusts (16%). The remaining 3% came from a variety of sources including general donations.

Expenditure

Expenditure went up by 35%. This £56,667 rise largely reflects the return to full operation after all contact activities were curtailed during the Covid pandemic. Staff salaries increased by £40,000 (32%) to £165,560 due to the recruitment of our new CEO and severance payments to our outgoing CEO. The office staff were also awarded a 10% pay increase, in recognition of their committed efforts through lockdown, inflationary adjustments and a tight labour market. Including the Chief Officer the charity has 10 employees, most of whom are part-time.

Overall, the charity ended the financial year with a deficit on ordinary activities of -£50216 compared with a surplus of £38,946 in the previous year.

Balance sheet

The charity's balance sheet remained strong despite the prevailing headwinds we continued to face. On 31 March 2022, the charity's cash position stood at £344,107 down from c £398,500 the previous year.

Designated funds

On 31 March 2022 the value of the investment portfolio stood at £304,519.

In March 2022, in response to the continuing deterioration in global equity markets, the Trustee Board took the decision to liquidate its entire holding of OIEC investments.

In addition, consistent with the tougher operating conditions, and the greater scope of service delivery, a decision was also made to increase the Dissolution Reserve, which covers the costs of winding up the charity in the unlikely event that this should prove necessary.

The cash balance held within the investment portfolio currently stands at £200,349. The attrition since 31 March 2021 has been due to a combination of losses on the OIEC investments prior to liquidation, and transfers from the Annual Services Grant Fund.

Age UK Hereford and Localities

Trustees' Report

It is expected that further transfers from the Annual Services Grant Fund will be made during the remainder of the current financial year, to fund certain service delivery projects.

Reserves, Investment and Borrowing Policy

The charity reviewed its Reserves Policy and its Investment & Borrowing Policy in 2019.

The Reserves Policy specifies that the equivalent of three months' worth of expenditure (£55,000) should be held in instant access accounts. Furthermore, reserves should be sufficient to cover any temporary shortfall in funding, or unexpected expenses and if necessary, the winding up of the charity. The reserve policy also states that any legacies should be paid into a separate reserve account, not accessible by management without Board Approval. Such funds can be used with Board Approval to fund specific projects such as upgrading the charity IT system.

The Investment and Borrowing Policy states that the charity may invest in any Open Ended Investment Company (OEIC) or charitable common investment fund and in investments which are easily realizable and liquid. The portfolio must be well diversified by sector and geography. The aim is to invest with a 5–10-year time horizon to achieve a return of CPI +3%, without excessive risk. Cash can only be held in Banks where the Government's £85,000 guarantee applies. The investment committee reviews the fund's performance every quarter, with an in-depth review once a year.

Whilst we think it unlikely the charity will ever need to borrow, it can do so to cover a temporary shortfall in income or to fund an investment, provided an investment case has been made and board approval has been given.

Subsequent events

The current financial year beginning 1 April 2022 continues to be challenging. Income from services continues to struggle to attain the pre-pandemic levels. The charity has completed feasibility studies on alternative sources of income such as retailing streams. Until the plans are finalised, the Trustee Board will, when necessary, drawn down on investment funds to insure that the quality and range of services are maintained.

Acknowledgements

We continue to be very grateful to all funders and, in particular, the Eveson Trust and Jordan Foundation.

We are also extremely grateful to our CEO, Sue Mosley, all our staff and volunteers for the hard work that they contribute to the charity.

Age UK Hereford and Localities

Trustees' Report

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

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 is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Liquid funds are only held in UK banks and are covered by the Financial Services Compensation Scheme for balances up to £85,000.

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 keeps cash reserves.

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

Statement of Trustees' Responsibilities

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

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

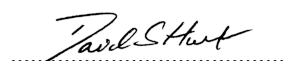
Age UK Hereford and Localities

Trustees' Report

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 22 December 2022 and signed on its behalf by:



Mr D Hunt
Chairman and Trustee

Age UK Hereford and Localities

Independent Examiner's Report to the trustees of Age UK Hereford and Localities ("the Company")

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

Responsibilities and basis of report

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').

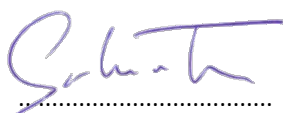
Having satisfied myself that the accounts of Age UK Hereford and Localities are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 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

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 Age UK Hereford and Localities 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



Graham John BSc FCA
Young & Co
Chartered Accountants and Registered Auditors

St Ethelbert House
Ryelands Street
Hereford
HR4 0LA

22 December 2022

Age UK Hereford and Localities

Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2022 £
Income and Endowments from:			
Grants, Donations and Legacies	2	143,213	143,213
Investment income	3	1,293	1,293
Other income	4	<u>9,219</u>	<u>9,219</u>
Total income		<u>153,725</u>	<u>153,725</u>
Expenditure on:			
Charitable activities	5	(224,545)	(224,545)
Other expenditure	6	<u>(2,591)</u>	<u>(2,591)</u>
Total expenditure		<u>(227,136)</u>	<u>(227,136)</u>
Surplus/(Deficit) on ordinary activities		<u>(73,411)</u>	<u>(73,411)</u>
Gains/losses on investment assets		<u>(10,578)</u>	<u>(10,578)</u>
Net expenditure		<u>(83,989)</u>	<u>(83,989)</u>
Net movement in funds		(83,989)	(83,989)
Reconciliation of funds			
Total funds brought forward		<u>372,555</u>	<u>372,555</u>
Total funds carried forward	19	<u><u>288,566</u></u>	<u><u>288,566</u></u>

Age UK Hereford and Localities

Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Total 2021 £
Income and Endowments from:			
Grants, Donations and Legacies	2	204,819	204,819
Investment income	3	136	136
Other income	4	793	793
Total income		<u>205,748</u>	<u>205,748</u>
Expenditure on:			
Charitable activities	5	(164,522)	(164,522)
Other expenditure	6	(2,624)	(2,624)
Total expenditure		<u>(167,146)</u>	<u>(167,146)</u>
Surplus/(deficit) on ordinary activities		(38,602)	(38,602)
Gains/losses on investment assets		88,273	88,273
Net income		<u>126,875</u>	<u>126,875</u>
Net movement in funds		126,875	126,875
Reconciliation of funds			
Total funds brought forward		<u>245,680</u>	<u>245,680</u>
Total funds carried forward	19	<u><u>372,555</u></u>	<u><u>372,555</u></u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2021 is shown in note 19.

Age UK Hereford and Localities
(Registration number: 04394760)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	3,242	3,706
Tangible assets	14	-	2,129
Investments	15	260,189	304,519
		<u>263,431</u>	<u>310,354</u>
Current assets			
Debtors	16	1,125	8,644
Cash at bank and in hand	17	74,636	92,909
		75,761	101,553
Creditors: Amounts falling due within one year	18	(50,626)	(39,352)
Net current assets		<u>25,135</u>	<u>62,201</u>
Net assets		<u>288,566</u>	<u>372,555</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>288,566</u>	<u>372,555</u>
Total funds	19	<u>288,566</u>	<u>372,555</u>

For the financial year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

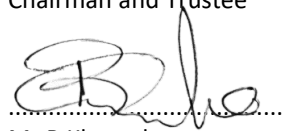
Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 12 to 29 were approved by the trustees, and authorised for issue on 22 December 2022 and signed on their behalf by:



Mr D Hunt
Chairman and Trustee



Mr B Khumalo
Trustee

The notes on pages 15 to 29 form an integral part of these financial statements.
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Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

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

Donations and legacies

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

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

Grants receivable

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

Deferred income

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

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

Expenditure

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

Charitable activities

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

Support costs

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

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including independent review, strategic management and Trustee's meetings and reimbursed expenses.

Government grants

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

Taxation

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

Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

Amortisation

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

Asset class	Amortisation method and rate
Computer software	10% of cost per annum

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Plant and machinery	25% Straight line basis
Fixtures and fittings	15% Straight line basis
Computer equipment	33% Straight line basis
Motor vehicles	15% Straight line basis

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the charities share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

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

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

Cash and cash equivalents

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

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

Trade creditors

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

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

Borrowings

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

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

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

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Financial instruments

Classification

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

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

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

Recognition and measurement

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

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

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

2 Income from grants, donations and legacies

	Unrestricted funds General £	Total 2022 £
Donations and legacies;		
Donations from individuals	9,733	9,733
Legacies	19,341	19,341
Grants, including capital grants;		
Grants from other charities	114,139	114,139
	<u>143,213</u>	<u>143,213</u>
	Unrestricted funds General £	Total 2021 £
Donations and legacies;		
Donations from individuals	46,714	46,714
Legacies	70,861	70,861
Gift aid reclaimed	1,871	1,871
Grants, including capital grants;		
Government grants	60,296	60,296
Grants from other charities	25,077	25,077
	<u>204,819</u>	<u>204,819</u>

3 Investment income

	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income;		
Interest receivable on bank deposits	45	45
Other income from fixed asset investments	1,248	1,248
	<u>1,293</u>	<u>1,293</u>
	Unrestricted funds General £	Total 2021 £
Interest receivable and similar income;		
Interest receivable on bank deposits	136	136
	<u>136</u>	<u>136</u>

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

4 Other income

	Unrestricted funds General £	Total 2022 £
Charges for services	9,219	9,219
	<u>9,219</u>	<u>9,219</u>
	Unrestricted funds General £	Total 2021 £
Charges for services	793	793
	<u>793</u>	<u>793</u>

5 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2022 £
Staff costs		178,103	178,103
Allocated support costs	7	43,550	43,550
Governance costs	7	2,892	2,892
		<u>224,545</u>	<u>224,545</u>
	Note	Unrestricted funds General £	Total 2021 £
Staff costs		135,002	135,002
Allocated support costs	7	27,120	27,120
Governance costs	7	2,400	2,400
		<u>164,522</u>	<u>164,522</u>

In addition to the expenditure analysed above, there are also governance costs of £2,892 (2021 - £2,400) which relate directly to charitable activities. See note 7 for further details.

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

6 Other expenditure

	Note	Unrestricted funds General £	Total 2022 £
Depreciation, amortisation and other similar costs		2,591	2,591
		<u>2,591</u>	<u>2,591</u>
	Note	Unrestricted funds General £	Total 2021 £
Depreciation, amortisation and other similar costs		2,591	2,591
		<u>2,591</u>	<u>2,591</u>

7 Analysis of governance and support costs

Basis of allocation

Reference	Method of allocation
A	Support costs are all allocated to charitable activities with the exception of the Independent Examiners' fees.

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	2,892	2,892
Total for 2022	<u>2,892</u>	<u>2,892</u>
Total for 2021	<u>2,400</u>	<u>2,400</u>

8 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	2,591	2,624

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year. Travelling and office expenses amounting to £0 (2020 - £0) were reimbursed to no trustee (2020 - no trustee) during the year.

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

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

10 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	159,156	125,894
Social security costs	10,934	3,300
Pension costs	7,155	5,047
Other staff costs	858	761
	<u>178,103</u>	<u>135,002</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Charitable activities	9	9
Fundraising and marketing	1	1
	<u>10</u>	<u>10</u>

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

11 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	<u>2,892</u>	<u>2,400</u>

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Intangible fixed assets

	Software £	Total £
Cost		
At 1 April 2021	4,632	4,632
At 31 March 2022	4,632	4,632
Amortisation		
At 1 April 2021	926	926
Charge for the year	464	464
At 31 March 2022	1,390	1,390
Net book value		
At 31 March 2022	3,242	3,242
At 31 March 2021	3,706	3,706

14 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2021	13,227	7,449	20,676
At 31 March 2022	13,227	7,449	20,676
Depreciation			
At 1 April 2021	13,227	7,449	20,676
At 31 March 2022	13,227	7,449	20,676
Net book value			
At 31 March 2022	-	-	-
At 31 March 2021	-	-	-

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

15 Fixed asset investments

	2021 £	2021 £
Other investments	260,189	304,519

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2021	304,519	304,519
Revaluation	(4,411)	(4,411)
Additions	19,003	19,003
Disposals	(58,922)	(58,922)
At 31 March 2022	260,189	260,189
Net book value		
At 31 March 2022	260,189	260,189
At 31 March 2021	304,519	304,519

16 Debtors

	2022 £	2021 £
Trade debtors	598	6,448
Prepayments	527	2,196
	1,125	8,644

17 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	48	24
Cash at bank	74,588	92,885
	74,636	92,909

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

18 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,618	3,232
Other taxation and social security	3,570	1,569
Accruals	2,772	2,400
Deferred income	40,666	32,151
	<u>50,626</u>	<u>39,352</u>

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

19 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
Unrestricted income fund	122,555	153,725	(227,136)	(10,578)	38,566
<i>Designated</i>					
Dissolution Reserve	70,000	-	-	-	70,000
Annual Services Grant	160,000	-	-	-	160,000
Property Fund	20,000	-	-	-	20,000
	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total funds	<u>372,555</u>	<u>153,725</u>	<u>(227,136)</u>	<u>(10,578)</u>	<u>288,566</u>

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted funds						
<i>General</i>						
Unrestricted income fund	(4,320)	205,748	(167,146)	-	88,273	122,555
<i>Designated</i>						
Designated fund - Ledbury	20,000	-	-	(20,000)	-	-
Dissolution Reserve	70,000	-	-	-	-	70,000
Annual Services Grant	160,000	-	-	-	-	160,000
Property Fund	-	-	-	20,000	-	20,000
	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total funds	<u>245,680</u>	<u>205,748</u>	<u>(167,146)</u>	<u>-</u>	<u>88,273</u>	<u>372,555</u>

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

The Ledbury designated fund was set up by Age Concern Ledbury and District to provide for the likely winding up costs of that organisation, should that ever become a reality. During the previous year the Ledbury Fund was transferred to a Property Fund to cover future property related costs, including those associated with the move to new offices in the Autumn of 2022 when the lease on the West Street office expires.

The Trustees have designated £230,000 from the sale of the company's former freehold property into two funds. The Dissolution Reserve of £70,000 is to cover the potential costs of closing the charity should that circumstance ever arise. The Annual Services Grant Fund of £160,000 is to provide emergency support to maintain services provided by the charity should there be a future shortfall in annual income against expenditure.

Age UK Hereford and Localities

Notes to the Financial Statements for the Year Ended 31 March 2022

20 Analysis of net assets between funds

	Unrestricted funds		Total funds at
	General	Designated	31 March
	£	£	2022
			£
Intangible fixed assets	3,242	-	3,242
Fixed asset investments	30,189	230,000	260,189
Current assets	55,760	20,000	75,760
Current liabilities	(64,936)	-	(64,936)
Total net assets	<u>24,255</u>	<u>250,000</u>	<u>274,255</u>

	Unrestricted funds		Total funds at
	General	Designated	31 March
	£	£	2021
			£
Intangible fixed assets	3,706	-	3,706
Tangible fixed assets	2,129	-	2,129
Fixed asset investments	74,519	230,000	304,519
Current assets	81,553	20,000	101,553
Current liabilities	(39,352)	-	(39,352)
Total net assets	<u>122,555</u>	<u>250,000</u>	<u>372,555</u>

Age UK Hereford and Localities

Detailed Statement of Financial Activities for the Year Ended 31 March 2022

	Total 2022 £	Total 2021 £
Income and Endowments from:		
Grants, Donations and Legacies (analysed below)	143,213	204,819
Investment income (analysed below)	1,293	136
Other income (analysed below)	9,219	793
	<hr/>	<hr/>
Total income	153,725	205,748
	<hr/>	<hr/>
Expenditure on:		
Charitable activities (analysed below)	(224,545)	(164,522)
Other expenditure (analysed below)	(2,591)	(2,624)
	<hr/>	<hr/>
Total expenditure	(227,136)	(167,146)
Gains/losses on investment assets (analysed below)	(10,578)	88,273
	<hr/>	<hr/>
Net (expenditure)/income	(83,989)	126,875
	<hr/>	<hr/>
Net movement in funds	(83,989)	126,875
	<hr/>	<hr/>
Reconciliation of funds		
Total funds brought forward	372,555	245,680
	<hr/>	<hr/>
Total funds carried forward	288,566	372,555
	<hr/>	<hr/>

Age UK Hereford and Localities

Detailed Statement of Financial Activities for the Year Ended 31 March 2022

	Total 2022 £	Total 2021 £
<i>Grants, Donations and Legacies</i>		
Donations and legacies: Legacy	19,341	70,861
Donations and legacies: Donations	9,733	46,714
Donations and legacies: Covid Emergency Donations	-	60,296
HMRC Gift Aid	-	1,871
Grants	114,139	25,077
	<u>143,213</u>	<u>204,819</u>
<i>Investment income</i>		
Income from listed investments	1,248	-
Interest receivable	45	136
	<u>1,293</u>	<u>136</u>
<i>Other income</i>		
Health Wellbeing	9,219	793
	<u>9,219</u>	<u>793</u>
<i>Charitable activities</i>		
Pension employee Core	(159,156)	(125,894)
Staff NIC (Employers)	(10,934)	(3,300)
Pension employee RY	(7,155)	(5,047)
Simply Health subscriptions	(858)	(761)
Insurances	(1,711)	(889)
Purchases: Footcare FC Supplies	(2,223)	-
Health and safety	(315)	(78)
Cost of sales	(3,007)	(286)
Computer Costs	(6,744)	(6,480)
Rent	(11,516)	(9,010)
Water	(274)	(209)
Gas and Electricity, water from July 2022	(946)	(743)
Repairs and Maintenance	(815)	(189)
Phone Costs	(4,908)	(4,549)
Printing, Postage and Stationery	(3,604)	(1,285)
Dues and Subscriptions	(1,233)	(1,188)
Misc subscriptions	(1,731)	-
Advertising/Promotional	(144)	(338)
Other Professional Services	(4,308)	(1,423)
Bad debts	56	(384)
Bank Charges	(127)	(69)
Independent examiner's fee	<u>(2,892)</u>	<u>(2,400)</u>

Age UK Hereford and Localities

Detailed Statement of Financial Activities for the Year Ended 31 March 2022

	Total 2022 £	Total 2021 £
	<u>(224,545)</u>	<u>(164,522)</u>
<i>Other expenditure</i>		
Other Expenditure:Amortisation	(463)	(463)
Depreciation	<u>(2,128)</u>	<u>(2,161)</u>
	<u>(2,591)</u>	<u>(2,624)</u>
<i>Gains/losses on investment assets</i>		
(Gain)/loss on investments	<u>(10,578)</u>	<u>88,273</u>