

Company registration number: 04394760

Charity registration number: 1093512

## **AMENDED**

# **Age UK Hereford and Localities**

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

**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**

<b>Chairman</b>	Mr D Hunt
<b>Trustees</b>	Mr D Hunt Mr A R Auer Mr D Wheatley Mrs J P Hilditch
<b>Principal Office</b>	Unit 10 Northern Lights Business Park Clinton Road Leominster Herefordshire HR6 0SW
<b>Registered Office</b>	Unit 10 Northern Lights Business Park Clinton Road Leominster Herefordshire HR6 0SW The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	04394760
<b>Charity Registration Number</b>	1093512
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
<b>Independent Examiner</b>	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 2023.

#### **Trustees**

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

Mr A R Auer (Appointed 12 February 2021)

Ms K Morum (Resigned 3 January 2023)

Mrs J Steels (Resigned 21 February 2023)

Mr B Khumalo (Resigned 3 January 2023)

Mr D Wheatley (Appointed 2 December 2022)

Mrs J P Hilditch (Appointed 14 April 2023)

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.

##### **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.

## **Age UK Hereford and Localities**

### **Trustees' Report**

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

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

Age UK Hereford and Localities 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 on 24 July 2013 following a change of name for the national charity.

Age UK Hereford and 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 an initial period of two years, and may be re-appointed for a further term of three years. The Trustees may appoint a Chair for a term not exceeding five years. The Trustees may extend the term of the incumbent Chair by an additional two years.

##### **Induction and training of Trustees**

New Trustees are required to familiarise themselves 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 done with reference to the Charity Commission publication "CC3 - The essential Trustee: what you need to know what you need to do", and our internal policy "Trustee Role Description". DBS checks are carried out on Trustees.

The organisation aims to have an annual away day for Trustees and the Chief Executive Officer to review 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. These documents are kept in the charity's secure file server. Trustees will also receive any relevant communication from Age UK at a national and regional level.

Chief Executive Officer, Susan Mosley, joined the charity in September 2021. Her remuneration was set by the Board.

## **Age UK Hereford and Localities**

### **Trustees' Report**

#### **Organisational structure**

The board meets at least four times a year. 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 2023**

We moved our office in Leominster in July 2022 to larger premises in another part of Leominster. It has made a huge positive impact of the charity, primarily in the physically environment in which the staff now work which has led to great team working and improved communication.

#### **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 whom 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 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 four sheds across the county are underway.

#### **Foot Care**

The relaunch of our foot care service in 8 locations across the county has 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**

**Report from the Chief Executive Officer for Year to 31 March 2023** (continued)

#### **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 regarded 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 2023**

The year has been one of slow but encouraging recovery from the impact of Covid lockdowns.

#### **Income**

Overall, income was up 50%, rising to £230,680. Due to the timing of receipts, this figure does not include any benefit of Eveson grant income, which last year amounted to £48,800. In addition, donation and legacy income for the year fell by £14,405.

We continue to receive very generous and vital support from a range of charitable trusts, most notably Eveson and the Jordan Foundation.

Footcare income recovered to £18,910 from £5,419 last year but is still substantially below pre-Covid levels. Further improvement is expected based on restructuring collaborations with Age UK Worcester and Malvern Hills that are ongoing.

During the year, Herefordshire Council had the confidence to appoint the Charity to distribute some £106,000 of much needed Household Support Funds to older people across the county.

#### **Expenditure**

Headline expenditure rose to £335,581, an increase of 48%. However, this increase included £52,000 of expensed Household Support Funds, giving an underlying increase of 24%.

Salary costs increased by 31% to £209,487, reflecting the ongoing impact of the 10% salary increases awarded last year, and the salary costs associated with new services such as the Sheds Together project. As evidence of inflationary pressures, Utility costs rose to £4,825, an increase of nearly 400%. However, the increase would have been much higher but for the sharing arrangements with Dementia Matters at our new offices in Leominster.

Overall, the Charity ended the financial year with a deficit on ordinary activities of -£104,901, compared with a deficit of -£83,989 in the previous year. Consistent with the statements made in last year's Annual Report, this deficit was partially funded by drawdowns during the year amounting to £60,000 from the Investment Fund.

Addressing the sustainability of this level of operating deficit, the Charity is pleased to report that the retail partnership with Age UK Worcester and Malvern Hills has recently opened shops in Leominster and Ross-on-Wye, with a shop in Hereford also due to open shortly. These retail operations will over time deliver much needed unrestricted income for the Charity, while also increasing the operational reach for service delivery.

#### **Balance sheet**

Despite the operating deficit, the Charity's balance sheet remained strong, and on 31 March 2023 the Charity's cash position stood at £234,901.

#### **Designated funds**

On 31 March 2023 the value of the investment portfolio stood at £200,188

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. This decision avoided subsequent losses of circa £35,000 in the value of the investment portfolio.

## **Age UK Hereford and Localities**

### **Trustees' Report**

#### **Treasurer's Report for Year to 31 March 2023 (continued)**

##### **Reserves, Investment and Borrowing Policy**

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

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 a charitable common investment fund and in investments which are easily realisable 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 2023 continues to be challenging. Income continues to struggle to cover expenditure. The charity has decided to merge its services with AgeUK Worcester & Malvern Hills from 1 January 2024.

##### **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, and 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.

##### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

## Age UK Hereford and Localities

### Trustees' Report

#### 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

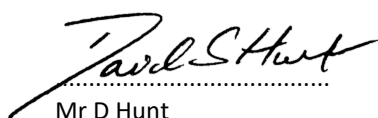
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 proper accounting records that can 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 21 December 2023 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 2023.

#### 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').

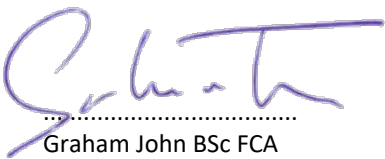
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act').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

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

21 December 2023

## Age UK Hereford and Localities

### Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2023 £
<b>Income and Endowments from:</b>			
Grants, Donations and Legacies	3	198,395	198,395
Investment income	4	8,572	8,572
Other income	5	<u>23,713</u>	<u>23,713</u>
Total income		<u>230,680</u>	<u>230,680</u>
<b>Expenditure on:</b>			
Charitable activities	6	(335,118)	(335,118)
Other expenditure	7	<u>(463)</u>	<u>(463)</u>
Total expenditure		<u>(335,581)</u>	<u>(335,581)</u>
Net expenditure		<u>(104,901)</u>	<u>(104,901)</u>
Net movement in funds		(104,901)	(104,901)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>288,566</u>	<u>288,566</u>
Total funds carried forward	20	<u><u>183,665</u></u>	<u><u>183,665</u></u>

## Age UK Hereford and Localities

### Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2022 £
<b>Income and Endowments from:</b>			
Grants, Donations and Legacies	3	143,213	143,213
Investment income	4	1,293	1,293
Other income	5	<u>9,219</u>	<u>9,219</u>
Total income		<u>153,725</u>	<u>153,725</u>
<b>Expenditure on:</b>			
Charitable activities	6	(224,545)	(224,545)
Other expenditure	7	<u>(2,591)</u>	<u>(2,591)</u>
Total expenditure		(227,136)	(227,136)
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)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>372,555</u>	<u>372,555</u>
Total funds carried forward	20	<u><u>288,566</u></u>	<u><u>288,566</u></u>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2022 is shown in note 20.

**Age UK Hereford and Localities**  
**(Registration number: 04394760)**  
**Balance Sheet as at 31 March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	14	2,779	3,242
Investments	16	<u>-</u>	<u>260,189</u>
		<u>2,779</u>	<u>263,431</u>
<b>Current assets</b>			
Debtors	17	4,237	1,125
Cash at bank and in hand	18	<u>234,901</u>	<u>74,636</u>
		239,138	75,761
<b>Creditors: Amounts falling due within one year</b>	19	<u>(58,252)</u>	<u>(50,626)</u>
<b>Net current assets</b>		<u>180,886</u>	<u>25,135</u>
<b>Net assets</b>		<u>183,665</u>	<u>288,566</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>183,665</u>	<u>288,566</u>
<b>Total funds</b>	20	<u>183,665</u>	<u>288,566</u>


For the financial year ending 31 March 2023 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.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 12 to 28 were approved by the trustees, and authorised for issue on 21 December 2023 and signed on their behalf by:



Mr D Hunt  
Chairman and trustee

## **Age UK Hereford and Localities**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **1 Charity status**

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Unit 10

Northern Lights Business Park

Clinton Road

Leominster

Herefordshire

HR6 0SW

The principal place of business is:

Unit 10

Northern Lights Business Park

Clinton Road

Leominster

Herefordshire

HR6 0SW

These financial statements were authorised for issue by the trustees on 21 December 2023.

#### **2 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.

##### **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.

## **Age UK Hereford and Localities**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **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.

#### **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.

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

## Age UK Hereford and Localities

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 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.

#### 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.

## **Age UK Hereford and Localities**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **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.

#### **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.

#### **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 2023

#### 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.

#### 3 Income from grants, donations and legacies

	Unrestricted funds General £	Total 2023 £
Donations and legacies;		
Donations from individuals	4,670	4,670
Legacies	10,000	10,000
Grants, including capital grants;		
Grants from other charities	183,725	183,725
	198,395	198,395
	198,395	198,395
	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
	143,213	143,213
	143,213	143,213

## Age UK Hereford and Localities

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 4 Investment income

	Unrestricted funds General £	Total 2023 £
Interest receivable and similar income;		
Interest receivable on bank deposits	140	140
Other income from fixed asset investments	1,022	1,022
Income from rents	7,410	7,410
	<u>8,572</u>	<u>8,572</u>
	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>

#### 5 Other income

	Unrestricted funds General £	Total 2023 £
Charges for services	<u>23,713</u>	<u>23,713</u>
	Unrestricted funds General £	Total 2022 £
Charges for services	<u>9,219</u>	<u>9,219</u>

## Age UK Hereford and Localities

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 6 Expenditure on charitable activities

		Unrestricted funds General £	Total 2023 £
	Note		
Staff costs		210,564	210,564
Allocated support costs	8	121,506	121,506
Governance costs	8	<u>3,048</u>	<u>3,048</u>
		<u>335,118</u>	<u>335,118</u>
		Unrestricted funds General £	Total 2022 £
	Note		
Staff costs		178,103	178,103
Allocated support costs	8	43,550	43,550
Governance costs	8	<u>2,892</u>	<u>2,892</u>
		<u>224,545</u>	<u>224,545</u>

In addition to the expenditure analysed above, there are also governance costs of £3,048 (2022 - £2,892) which relate directly to charitable activities. See note 8 for further details.

#### 7 Other expenditure

		Unrestricted funds General £	Total 2023 £
	Note		
Depreciation, amortisation and other similar costs		<u>463</u>	<u>463</u>
		<u>463</u>	<u>463</u>
		Unrestricted funds General £	Total 2022 £
	Note		
Depreciation, amortisation and other similar costs		<u>2,591</u>	<u>2,591</u>
		<u>2,591</u>	<u>2,591</u>

## Age UK Hereford and Localities

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 8 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	3,048	3,048
<b>Total for 2023</b>	<u>3,048</u>	<u>3,048</u>
<b>Total for 2022</b>	<u>2,892</u>	<u>2,892</u>

#### 9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Depreciation of fixed assets	463	2,591

#### 10 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

##### Mr D Hunt

£71 (2022: £Nil) of expenses were reimbursed to Mr D Hunt 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 2023

#### 11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	194,669	159,156
Social security costs	6,655	10,934
Pension costs	8,163	7,155
Other staff costs	1,077	858
	<u>210,564</u>	<u>178,103</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:

	2023 No	2022 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.

#### 12 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	<u>3,048</u>	<u>2,892</u>

#### 13 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 2023

#### 14 Intangible fixed assets

	Software £	Total £
<b>Cost</b>		
At 1 April 2022	4,632	4,632
At 31 March 2023	4,632	4,632
<b>Amortisation</b>		
At 1 April 2022	1,390	1,390
Charge for the year	463	463
At 31 March 2023	1,853	1,853
<b>Net book value</b>		
At 31 March 2023	2,779	2,779
At 31 March 2022	3,242	3,242

#### 15 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2022	13,227	7,449	20,676
At 31 March 2023	13,227	7,449	20,676
<b>Depreciation</b>			
At 1 April 2022	13,227	7,449	20,676
At 31 March 2023	13,227	7,449	20,676
<b>Net book value</b>			
At 31 March 2023	-	-	-
At 31 March 2022	-	-	-

## Age UK Hereford and Localities

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 16 Fixed asset investments

	2021 £	2022 £
Other investments	-	260,189

#### Other investments

	Listed investments £	Total £
<b>Cost or Valuation</b>		
At 1 April 2022	260,189	260,189
Disposals	(260,189)	(260,189)
At 31 March 2023	-	-
<b>Net book value</b>		
At 31 March 2023	-	-
At 31 March 2022	260,189	260,189

#### 17 Debtors

	2023 £	2022 £
Trade debtors	3,697	598
Prepayments	540	527
	4,237	1,125

#### 18 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	102	48
Cash at bank	234,799	74,588
	234,901	74,636

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

	2023 £	2022 £
Trade creditors	13,161	3,618
Other taxation and social security	1,376	3,570
Accruals	3,049	2,772
Deferred income	40,666	40,666
	58,252	50,626

## Age UK Hereford and Localities

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 20 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted income fund	38,566	230,680	(335,581)	70,000	3,665
<i>Designated</i>					
Dissolution Reserve	70,000	-	-	-	70,000
Annual Services Grant	160,000	-	-	(70,000)	90,000
Property Fund	20,000	-	-	-	20,000
	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>180,000</u>
<b>Total funds</b>	<u>288,566</u>	<u>230,680</u>	<u>(335,581)</u>	<u>-</u>	<u>183,665</u>

## Age UK Hereford and Localities

### Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
<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>
<b>Total funds</b>	<u>372,555</u>	<u>153,725</u>	<u>(227,136)</u>	<u>(10,578)</u>	<u>288,566</u>

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

The Property Fund is 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 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 is to provide emergency support to maintain services provided by the charity should there be a future shortfall in annual income against expenditure. A transfer of £70,000 to the general fund was made for 2023.

## Age UK Hereford and Localities

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 21 Analysis of net assets between funds

	Unrestricted funds		Total funds at
	General	Designated	31 March
	£	£	2023
Intangible fixed assets	2,779	-	2,779
Current assets	59,138	180,000	239,138
Current liabilities	(58,252)	-	(58,252)
Total net assets	<u>3,665</u>	<u>180,000</u>	<u>183,665</u>

	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	55,761	20,000	75,761
Current liabilities	(50,626)	-	(50,626)
Total net assets	<u>38,566</u>	<u>250,000</u>	<u>288,566</u>

#### 22 Amended financial statements

These financial statements replace the original financial statements, are now the statutory financial statements and are prepared as they were at the date of the original financial statements.

## Age UK Hereford and Localities

### Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	Total 2023 £	Total 2022 £
<b>Income and Endowments from:</b>		
Grants, Donations and Legacies (analysed below)	198,395	143,213
Investment income (analysed below)	8,572	1,293
Other income (analysed below)	<u>23,713</u>	<u>9,219</u>
Total income	<u>230,680</u>	<u>153,725</u>
<b>Expenditure on:</b>		
Charitable activities (analysed below)	(335,118)	(224,545)
Other expenditure (analysed below)	<u>(463)</u>	<u>(2,591)</u>
Total expenditure	(335,581)	(227,136)
Gains/losses on investment assets (analysed below)	<u>-</u>	<u>(10,578)</u>
Net expenditure	<u>(104,901)</u>	<u>(83,989)</u>
Net movement in funds	(104,901)	(83,989)
<b>Reconciliation of funds</b>		
Total funds brought forward	<u>288,566</u>	<u>372,555</u>
Total funds carried forward	<u><u>183,665</u></u>	<u><u>288,566</u></u>

## Age UK Hereford and Localities

### Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	Total 2023 £	Total 2022 £
<b><i>Grants, Donations and Legacies</i></b>		
Legacies	10,000	19,341
Donations	4,670	9,733
Grants	183,725	114,139
	<u>198,395</u>	<u>143,213</u>
<b><i>Investment income</i></b>		
Rent from shared premises	7,410	-
Income from listed investments	1,022	1,248
Interest receivable	140	45
	<u>8,572</u>	<u>1,293</u>
<b><i>Other income</i></b>		
Health Wellbeing	23,713	9,219
	<u>23,713</u>	<u>9,219</u>
<b><i>Charitable activities</i></b>		
Salaries	(194,669)	(159,156)
Staff NIC (Employers)	(6,655)	(10,934)
Employer's pension contributions	(8,163)	(7,155)
Simply Health subscriptions	(1,077)	(858)
Insurances	(3,033)	(1,711)
Purchases of footcare supplies	-	(2,223)
Health and safety	-	(315)
Cost of services	(68,441)	(3,007)
IT and Phone Costs	(10,676)	(6,744)
Rent	(18,619)	(11,516)
Utilities: Water	(167)	(274)
Utilities: Gas and Electricity, water from July 2022	(4,659)	(946)
Repairs and Maintenance	(1,749)	(815)
Phone Costs	-	(4,908)
Staff Expenses	(7,339)	(3,604)
Subscriptions	(3,411)	(1,233)
Photocopier leasing	(1,907)	-
Misc subscriptions	-	(1,731)
Marketing	(721)	(144)
Salaries: Payroll & Accountancy Services	(712)	(4,308)
Bad debts	-	56
Bank charges	(72)	(127)
Independent examiner's fee	<u>(3,048)</u>	<u>(2,892)</u>

## Age UK Hereford and Localities

### Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	Total 2023 £	Total 2022 £
	<u>(335,118)</u>	<u>(224,545)</u>
<b><i>Other expenditure</i></b>		
Amortisation of software	(463)	(463)
Depreciation	<u>-</u>	<u>(2,128)</u>
	<u>(463)</u>	<u>(2,591)</u>
<i>Gains/losses on investment assets</i>		
(Gain)/loss on investments	<u>-</u>	<u>(10,578)</u>