

Charity Registration No. 1116662

Company Registration No. 03539971 (England and Wales)



AGE UK HERTFORDSHIRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

AGE UK HERTFORDSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	John Ellis Victoria Tassell Mousumi Basu Mary Compton Jenny Wiles Robin Kember (Appointed 25 November 2020)
Company Secretary	Jenny Wiles (From 30 September 2020) Lorna Boyd-Bell (Until 31 August 2020)
Charity number	1116662
Company number	03539971
Registered Office and Principal Address	1 Silver Court Watchmead Welwyn Garden City Hertfordshire AL7 1LT
Auditor	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL
Bankers	Barclays Bank plc 78 Turners Hill Cheshunt Hertfordshire EN8 9BW CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET

AGE UK HERTFORDSHIRE

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Trustees Annual Report (including Directors Report)

The trustees present their Trustees Annual Report (including Directors' Report) and consolidated group financial statements. For the year ended 31 March 2021.

The group financial statements have been prepared in accordance with the accounting policies set out in the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Status, Principal Activity and Public Benefit

The Age UK Hertfordshire group includes Age UK Hertfordshire (the Charity) and a wholly owned subsidiary company Age UK Hertfordshire Trading Limited (the Trading Company).

Age UK Hertfordshire is a charitable company limited by guarantee (Charity number 1116662 and Company number 03539971, incorporated in England and Wales), governed by its Articles of Association dated April 2019, which supersede the Memorandum and Articles of Association dated 26 January 2009, its amendment by a certificate of incorporation on change of name dated 20 May 2010, and additional amendments made in December 2017 and April 2019.

The object and principal activity of Age UK Hertfordshire is 'the promotion and well-being of older people in Hertfordshire'. Age UK Hertfordshire is a Brand Partner of Age UK. By reaching the quality standards required, Age UK Hertfordshire has entered into an agreement with Age UK and is therefore permitted to use the name, and brand logo, of Age UK to promote its services.

Age UK Hertfordshire Trading Limited is a limited company (Company number 02911828, incorporated in England and Wales), whose principal activity in the year was receiving commission based payments on clothes recycling services.

Age UK Hertfordshire is a public benefit entity and the Trustees have given due consideration to the Charity Commission published guidance on the operation of the Public Benefit requirement when reviewing the charity's aims and objectives and planning current and future activities. The information in the Strategic Report (and Directors' Report) below outlines the activities the charity undertakes to further its purposes.

Strategic Report (and Directors' Report)

Objectives, Strategy and Future Plans

Age UK Hertfordshire is one of the largest charities providing services to older people in Hertfordshire and has a high level of recognition across the statutory authorities, voluntary sector and the public.

Age UK Hertfordshire is working to improve later life for older people in Hertfordshire today, and in future generations and has supported over 15,000 people this year.

Our strategic plan consolidates a wide variety of feedback with over 50 years of experience working locally in the Hertfordshire ageing arena and with our National Brand Partner Age UK.

The mission of Age UK Hertfordshire is quite simply:

"To improve the lives of older people in Hertfordshire."

We will deliver this by focussing on three client-facing strategic objectives:

- *Alleviating Loneliness and Isolation*
- *Building Resilience within Communities*
- *Tackling Poverty and Inequalities*

And also through our five internal operational strategies:

- *Supporting our Staff and Volunteers*
- *Providing High Quality Services*
- *Developing our Income-Generation Capacity*
- *Digital Transformation*
- *Improving our Communication Strategy*

In 2020-21 we have also highlighted three ways of working to be of key emphasis:

- *Continuous Improvement*
- *Being Environmentally Aware*
- *Working in Partnership*

2020-21 Services to Meet Strategic Aims

Figure 1 below sets out the services that we provided in the 2020-21 financial year following the impact of the CV-19 pandemic, which changed our methods of service delivery from mid-March 2020.

Our face-to-face services ceased at this time, in line with government lockdown guidance and we moved services to a telephone based or electronic format to continue to support our clients. As the restrictions and government guidance changed during the year, so did our methods of service delivery to become more face to face where appropriate and possible.

Objectives, Strategy and Future Plans (continued)

Figure 1. Services to meet Strategic Aims

Area of Work	Services	How we meet our aims
Active Ageing	<p>Eighteen 10 to 3 Clubs including 3 Asian Elder Day Centres</p> <p>Day Care Centre for the physically and mentally frail (Chalmers Court)</p> <p>Clitheroe Health & Wellbeing Centre</p>	<p>We normally run a range of clubs/activities to help older people feel connected with their community, stay active and reduce social isolation by providing social activities, physical exercise and nutritious meals.</p> <p>10 to 3 clubs have been closed during the entire CV-19 pandemic due to the sheltered housing schemes following safe working protocols, and so support has been provided through online groups, welfare calls and activity packs to keep people active and engaged.</p> <p>Chalmers Court and Clitheroe have both reopened at times during the pandemic but with reduced capacity to ensure safety of clients, staff and volunteers.</p>
Befriending	<p>Visiting Scheme</p> <p>Telephone Clubs</p>	<p>We normally provide regular face-to-face and telephone social contact, to help combat loneliness and social isolation. During 2020-21 volunteers were unable to provide face to face visits, and so support had to be provided via phone calls or online befriending sessions.</p>
Emotional Support	InTouch	<p>A service offering a higher level of emotional support over the phone.</p>
Information and Advice	<p>Information and Advice</p> <p>Later Life Goals</p>	<p>A telephone and community support service offering Information & Advice to older people. Including advice on benefit entitlements, LPAs, energy costs and Blue Badges.</p> <p>Later Life Goals focuses on the above, but visiting older people in their homes focusing on reducing loneliness and isolation.</p>
Dementia Services	Hertswise	<p>Working in partnership with eight other voluntary sector organisations to provide support for people with Dementia, Mild Cognitive Impairment and memory loss, along with their carers and families.</p>
Health Related Services	<p>Hospital & Community Navigation Service (HCNS)</p> <p>Link Workers (HCNS)</p> <p>Nutrition & Dietetics Service</p>	<p>Working in partnership with six other voluntary sector organisations to provide support services for those discharged from hospital, those identified by their GPs and others as being vulnerable people in need of support to achieve independence and well-being.</p> <p>Link Workers work from GP surgeries as part of the Social Prescribing agenda. They work closely with staff from HCNS to link people to the 'social prescriptions'</p> <p>Working with the Hertfordshire Community Trust and working with the Community Nutrition and Dietetics team supporting people who have social causes for malnutrition ensuring that they get the support they need to stay independent in the community.</p>
Income Generation	Help in The Home	<p>A cleaning and domestic tasks service which enables people to remain independent in their homes by supporting them with daily activities.</p>

Objectives, Strategy and Future Plans (continued)

Age UK Hertfordshire delivers services which also meet the priorities of:

- The Hertfordshire Health and Well-Being Board's Health and Well-Being Strategy 2016-20
- The Care Act 2014, including the need to support carers
- The Hertfordshire JSNA for Older People
- Hertfordshire County Council's (HCC) Adult Care Services Three-Year Plan 2018-21

Age UK Hertfordshire is committed to its responsibilities of being a Brand Partner of Age UK by adhering to the Charity Quality Standard (CQS), which we were awarded in June 2018. The organisation also holds the Advice Quality Standard (AQS) for its Information & Advice Service, awarded in January 2021. Both awards are valid for three years, and we are currently preparing for the CQS re-assessment, which has been delayed due to CV-19.

Age UK Hertfordshire continuously monitors and measures key performance indicators to ensure that objectives and plans are being delivered effectively. The majority of our KPIs are set within the contracts we hold, however, due to the impact of the CV-19 pandemic these KPI's were not applicable for the period due to them mainly relying on face to face contact. Summary outputs of alternative measures are included in the relevant sections below to illustrate the extent of the organisation's operational activity during the year.

Plans for Future Periods

The impact of the CV-19 pandemic was significant for Age UK Hertfordshire during 2020-21 and the organisation had to adapt very quickly to the changing environment. The pandemic disrupted timelines of our anticipated plans and strategies for 2020-21, thus impacting on future periods as well.

All our HCC contracts continued throughout 2020-21, offering a welcome element of stability. Looking ahead, the Community Day Services are expected to be re-commissioned during the 2021-22 year. We are reviewing our Day Services to prepare for this, as well as incorporating changes brought about by the pandemic, with potential long-term changes to the way these services will be delivered going forward.

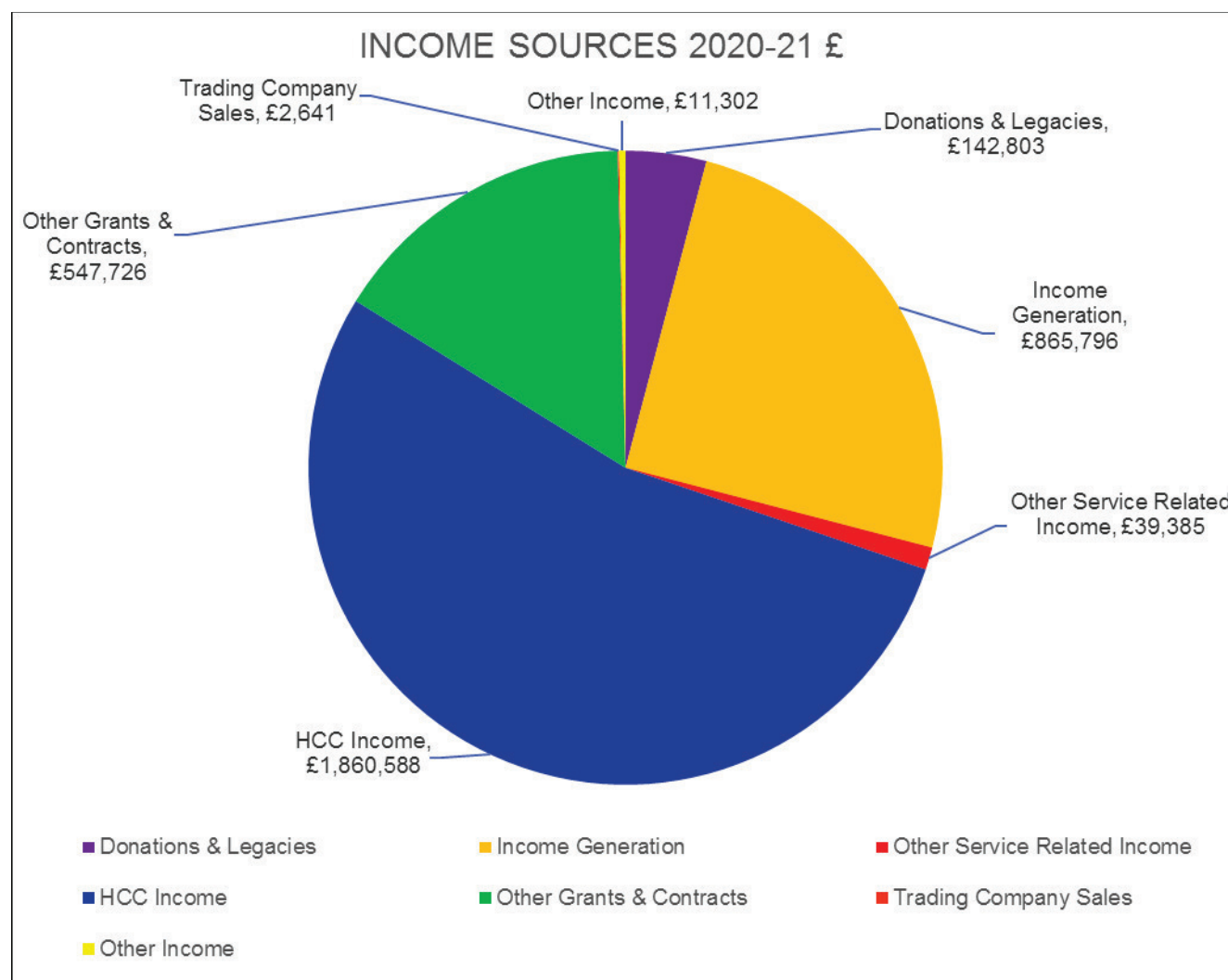
In addition, we will continue to review our premises and IT infrastructure, in order to streamline organisational costs for maximum efficiency, and seek to generate additional income by expanding our income generation activities, to bring in much needed unrestricted funds to help sustain our charitable work. Care will be taken to ensure that these services offer Best Value for our clients, both financially and operationally.

Income Generation and Performance

Income

In 2020-21, Age UK Hertfordshire generated income of £3,470,240 from a range of sources, as shown in Figure 2 below.

Figure 2: Income Sources



The majority of income generated (per Figure 2) is specifically aligned to the delivery of individual services.

Fundraising income is included within 'Other income' in Figure 2.

Further detail on income received in the year can be found in the Financial Review section and in the notes to the financial statements (notes 2 to 6).

Income Generation and Performance (continued)

Performance of Charitable Services

Age UK Hertfordshire has continued to provide a wide range of services to older people in the county throughout 2020-21, although they have been very different from previous years due to the restrictions on providing face to face support. Many services had to adapt to focus on providing essential services to the most vulnerable older people in Hertfordshire as a result of the government lockdowns. Figure 3 summarises the scale of services provided during 2020-21.

Figure 3: Support Provided

Support Activity	2020-21
Number of older people supported	15,152
Number of support calls made	122,938
Number of attendances to our online Active Ageing groups	4,761
Number of food parcels delivered to older people in need	2,291
Number of Activity packs given to older people to stay active	5,740
Number of newsletters sent to isolated older people	3,725
Number of prescriptions delivered to older people in need	1,238
Amount raised for older people through welfare benefits	£4,770,655
Number of older people supported to get online	91
Number of Tablets distributed to help older people get online	68
Number of active volunteers	576
Number of hours provided through Help in the Home	43,348

Volunteers

The work of Age UK Hertfordshire would not be possible without the contribution of volunteers working across all projects and all geographical areas. In 2020-21, our dedicated and committed volunteers were unable to deliver as much support as they normally would, as a result of the lockdown restrictions. Nevertheless, we were still fortunate to have 576 active volunteers during the period who were able to assist with support as restrictions allowed.

All volunteers joining Age UK Hertfordshire go through a structured recruitment process, followed by a thorough induction and appropriate training for their role.

Active Ageing

There are eighteen 10 to 3 Clubs across Hertfordshire most of which meet in the communal lounges of sheltered housing schemes. Each club provides transport for those who need it, a nutritious meal, socialisation, physical exercise, mental stimulation and digital inclusion. These have been closed during the entire CV-19 pandemic due to the sheltered housing schemes following safe working protocols, and so support has been provided through online groups, welfare calls and activity packs to keep people active and engaged.

Chalmers Court Dementia Day Centre provides care and support for users who have some form of dementia through person centred daily activities designed to improve wellbeing. This service has been reopened during the pandemic to ensure people with dementia get the support they need.

Clitheroe Health and Wellbeing Centre is run in partnership with Sanctuary Housing and is open five days a week with a range of activities and sessions. We run our popular Men in Sheds project from this setting, which provides opportunities for older gentlemen to take part in activities they enjoy, which helps improve the gender balance at the day centres. This service has reopened during the pandemic but with reduced capacity to ensure safe practice is followed at all times.

Income Generation and Performance (continued)

Performance of Charitable Services

Befriending

Age UK Hertfordshire offers a countywide Visiting Scheme and Telephone Club which enables older people living on their own, to have links to the outside world. It relies upon our very dedicated volunteers, without whom we could not offer the service. During 2020-21 over 500 dedicated volunteers were unable to provide face to face visits, and so support had to be provided via phone calls or online befriending sessions. This was an essential lifeline for those older people who already feel isolated or alone, which was compounded by the additional isolation that CV-19 and the lockdown restrictions caused.

Emotional Support

InTouch provides a vital telephone support service which helps people aged over 50 with a range of health and wellbeing needs such as those who have had life changing experiences e.g. serious illness or bereavement. This support can act as a life line for many people who need someone to listen and talk in a confidential and impartial way. Due to CV-19, the service saw a surge in enquiries from older people with anxiety and low mood as a result of the isolation and uncertainty brought about by the lockdown restrictions, and so offered a vital role in supporting older people and helping them to improve their wellbeing at such a crucial time.

Information and Advice

A comprehensive, county-wide Information and Advice Service operates across Hertfordshire, primarily through a local rate telephone line, but offering follow-up home visits where appropriate. During 2020-21 no home visits were made and support with enquiries from older people were dealt with by phone or email. £4.7 million of unclaimed benefits was obtained for the older people of the county in 2020-21. This is money that not only supported vulnerable older people in our local communities, but also supported the wider Hertfordshire economy.

In 2020-21, the service still continued to deliver the 'Later Life Goals' project and the Hertswise Community Information Network (CIN) service.

Our Partnership Work

Health Related Services - Hospital and Community Navigation Service

We are one of seven partners delivering the Hospital and Community Navigation Service (HCNS), which offers a comprehensive package of support for vulnerable people identified by GPs, Social Worker or self-referrals, as well as those discharged from hospital, including from Accident and Emergency and Urgent Care departments or intermediate care. It includes support for people at risk of re-admission and delivers a smooth transition from short-term intervention into mainstream activities that maintain longer-term well-being and independence. This is a county-wide support service for people needing help through social prescribing and practical support to help avoid admission and readmission to hospital and reduce dependence on primary care.

In 2020-21, the HCNS service became the frontline response service for the voluntary sector and was instrumental in supporting vulnerable people with food parcels, prescription collections and welfare calls. The service worked very closely with the hospital teams to ensure timely patient discharge and helping with their capacity to treat the surge in demand for patient treatment. We also continued working with GP Surgeries as part of the Link Worker program. This work is part of the Social Prescribing agenda, supporting people's unmet needs, with the aim of reducing the number of visits to GP surgeries for non-medical issues.

Income Generation and Performance (continued)

Performance of Charitable Services

Our Partnership Work

Health Related Services - Nutrition and Dietetics Support

In 2020-21, we continued to work in partnership with the Hertfordshire Community Trust, on the Nutrition and Dietetics Service, where we work with the team of dietitians to support patients who have a social cause for their malnutrition i.e. low income, loneliness, lack of social support etc. During 2020-21, this support was mainly provided via telephone calls.

Hertswise Dementia Services

Age UK Hertfordshire is the lead body of the Hertswise project, a partnership with eight other local voluntary sector organisations, supporting people living with dementia, low level memory loss or mild cognitive impairment; as well as their families and their Carers. The project aims to ensure that people of all ages, living with dementia in Hertfordshire, are able to access information, advice, activities and support. During 2020-21 the project had to adapt to online activity groups for both people with dementia and their carers. Outdoor groups and garden visits were also arranged where restrictions eased sufficiently to ensure that the maximum amount of support could be maintained.

Income Generation

Help in the Home is a paid-for service that provides cleaning, domestic tasks and support for activities such as shopping, and it is available across the county. During 2020-21, the service had to reduce its provision during the first couple of months of the financial year due to CV-19 in order to adapt and prepare amended working practices. As a result of the temporary closure, the service provided significantly less hours of support during the course of the year but still delivered over 43,000 hours of domestic support for older people across Hertfordshire, helping them to maintain their independence, by being able to live in their own homes.

Fundraising

Due to CV-19, the organisation's community fundraising activities were limited. We were, however, able to secure one-off CV-19 funding from a number of funders to support changes to our service delivery. We also received funding for a number of pilot digital inclusion projects to purchase IT equipment (Android Tablets), which were then distributed to older people, and to provide training and guidance to help them access support online. Individual and corporate donations during the year increased to £48,848, which helped us to support older people as a result of the isolating effects of the pandemic.

Since 2018-19 we have been working with a commercial participator Clothes Aid (Services) Limited (Clothes Aid), through a tripartite agreement in conjunction with our Trading subsidiary, Age UK Hertfordshire Trading Ltd. We monitor this arrangement and the fundraising activity carried out by Clothes Aid through regular Trading subsidiary governance meetings and also meetings with Clothes Aid and their collections representatives.

In 2020-21 Clothes Aid collections were put on hold for the major part of the year as a result of the CV-19 lockdown restrictions. However a small amount of income £2,641 was received in the year. Collections are planned to continue in 2021-22.

Since June 2018 the charity has been registered with the Fundraising Regulator and is committed to following the Code of Fundraising Practice and the Fundraising Promise. We publish clear information about our complaints procedure on our website, which members of the public can access.

To ensure that we do not carry out any fundraising which involves unreasonable intrusion on a person's privacy, is unreasonably persistent or places undue pressure on a person to give money or other property we ensure all staff and volunteers involved in fundraising are trained and inducted to carry out the charity's fundraising activities in line with the Fundraising Promise.

Financial Review

Financial Summary	2019-20 £	2020-21 £
Income	3,660,518	3,470,240
Expenditure	(3,622,966)	(3,512,880)
Net Income / Expenditure	37,552	(42,640)
Reserves	2019-20 £	2020-21 £
Restricted	161,561	169,101
Unrestricted - Designated	990,819	757,865
Unrestricted - General	433,195	615,969
Total Reserves	1,585,575	1,542,935

The Board of Trustees approved a budgeted operating deficit of £209,223 for the year ending 31 March 2021, including expenditure on restricted funds carried forward of £2,968. In addition the budget deficit included agreed funding from unrestricted designated reserves for strategic investment, service changes in Active Ageing, match funding for projects and investment in staffing resources of £253,051.

The Covid-19 pandemic altered Age UK Hertfordshire's strategic and operational plans for 2020-21. As a result regular and detailed financial forecasting was required from the beginning of the financial year to carefully monitor the impact of service closure and changes to delivery on the charity's financial position. The closure of the Help in the Home Service for several months had a significant impact on finances compared with budget expectations, although alternative and additional funding was secured during the year to support the organisation's response to Covid-19.

In 2020-21 the organisation is reporting a deficit of £42,640 (2020 £37,552 surplus), which is £166,593 better than the approved budgeted operating deficit. Although this is better than budget position the Covid-19 pandemic delayed some of the budgeted development investment and service change costs that were planned for 2020-21 and were also as a result of a reduction in much needed face to face services during this period.

As a frontline health and social care charity Age UK Hertfordshire were able to apply for additional COVID-19 related grant funding to support the changes needed to service delivery and also to support clients with digital training and tablets to combat digital exclusion, loneliness and isolation during the pandemic. Unbudgeted legacy income of £93,955 (2020 £44,865) also contributed to this year's financial position.

In the year to 31 March 2021 Age UK Hertfordshire's total incoming resources amounted to £3,470,240, a decrease of £190,278 on the previous year's income (2020 £3,660,518). Income from charitable activities decreased by £230,894 to £3,313,494 (2020 £3,544,388). Fees and activities income decreased by £798,348 (predominantly due to Help in the Home and Active Ageing services). This decrease was partially offset by a £567,454 increase in performance related grants and service level agreements (predominantly due to use of the HMRC's Coronavirus Job Retention Scheme and other one-off COVID-19 related grants.).

Donations and legacies income increased by £54,585 on the previous year to £142,803 (2020, £88,218). This includes donations of £48,848, either received directly from individuals and local companies to support our work during COVID-19 or via individual fundraisers raising money on our behalf.

The Trading subsidiary's 2020-21 income decreased to £2,641 (2020 £11,715). The income represented commissions received via the commercial participation arrangement with Clothes Aid (Services) Limited, who were unable to collect clothing and other donations at various times during the year due to Covid-19 restrictions.

Financial Review (continued)

Due to the economic situation and the uncertain impact of Covid-19 on the financial position of the organisation, bank balances were kept in low interest bearing accounts to ensure access to working capital. As a result Age UK Hertfordshire received £2,781 investment income in the year, which was a decrease of £5,732 from the previous year (2020 £8,513).

Total resources expended amounted to £3,512,880, which was an overall decrease in costs of £110,086 compared with the previous year (2020 £3,660,518). The cost of charitable activities (£3,449,992) decreased compared with the previous year (2020 £350,184) due to the impact of Covid-19 on service delivery costs including staffing levels, travel, transport, venue and activity costs. Raising funds costs increased from £42,782 (2020) to £62,888 in the current year due to increased staff and support costs for fundraising and Trading Company administration.

Further information on the staffing and other costs incurred in the year are set out in notes 6, 7, 8 and 9 of the financial statements.

Reserves

In 2018-19 the Board of Trustees reviewed and updated the organisation's previous Reserves Policy and considered both the main risks to the organisation and the amount, and type, of reserves needed to support the variety of services it delivers, as well as their various working capital requirements.

Based on the findings of this review the Trustees deemed that a standard 'one size fits all' approach to calculating reserves (e.g. X months of total organisational annual expenditure) is not the most appropriate method for calculating the level of unrestricted reserves required by Age UK Hertfordshire. They considered that a multi-layered approach, with some specific designated funds, as well as some unrestricted reserves held as general funds, is more appropriate.

Therefore the Trustees established and approved a Reserves Policy that considers and quantifies the types and monetary values of funds required by the organisation. The aim of the policy is to ensure that sufficient and appropriate designated and general reserves are available to meet the organisation's needs in terms of working capital, future development, committed expenditure and statutory obligations. The policy also ensures that any unspent restricted funding remaining at the year-end is ring-fenced in a separate restricted fund (as this must be returned to funders if not used for the activities outlined in the funding agreement).

The Reserves Policy was reviewed and updated during 2020-21 as part of the organisation's risk management practices in order to ensure its continuation relevance during, and following, the impact of the COVID-19 pandemic.

The Board of Trustees continue to review the organisation's need for reserves as a result of the changes that have occurred during the year and since the year end due to COVID-19 and consider that the updated Reserves Policy remains relevant and applicable at this time.

At 31 March 2021 Age UK Hertfordshire's total reserves amounted to £1,542,935 (2020 £1,585,575) with total unrestricted funds of £1,373,834 (2020 £1,424,015). More details on the types of funds held are set out below.

Restricted Funds

Restricted funds include unspent grant and contract income that can only be used on specific activities (in line with the requirements set out in funding agreements) and therefore has been ring-fenced separately in the accounts. These funds will be utilised in future periods and include amounts ring-fenced specifically for the Hertswise Dementia project, Health Related Services projects and Active Ageing projects. £169,101 of reserves are held as restricted funds as at 31 March 2021 (2020 £161,560) as shown in notes 15 and 17 of the financial statements.

Financial Review (continued)

Reserves

Unrestricted Designated Funds

In line with the Reserves Policy operational and strategic funds have been designated to support the organisation's strategy, operational needs and working capital requirements.

The designated strategic and operational funds at the year-end include:

- IT Development Fund (for the replacement of IT hardware, IT infrastructure and the development of organisational software and database systems under the organisation's digital strategy),
- Project Development Fund (for project continuation, matched funding and the development of new projects),
- Staffing Commitments Fund (in relation to anticipated future staffing commitments),
- Building Dilapidations and Premises Fund (for reinstatement of premises at the end of current leases or to enable office / service delivery location moves or buildings alterations resulting from organisational or operational change), and
- Working Capital Fund (to meet the working capital requirements of the organisation and two key projects, Hertswise and Help in the Home).

Total unrestricted designated funds at 31 March 2021 are £757,865 (2020 £990,819), which is a decrease of £232,954. The main changes in these funds are discussed below. (The balance held in each designated strategic and operational fund is shown in note 16 of the financial statements).

The organisation's IT Development Fund has been revised at the end of 2020-21, as the impact of COVID-19 has put on hold some of the original plans for these funds. Currently strategic review work is considering the impact of the changes in remote working practices and service delivery that occurred during 2020-21 and reviewing the organisation's future premises and IT infrastructure requirements. Following the outcome of this review the level of designated funds required in the IT Development Fund will be reviewed and revised, as necessary.

Some of the funds designated within the Project Development Fund at 31 March 2020 have been utilised in the year to support existing services for older people in Hertfordshire including the shortfall in funding for the organisation's county-wide Information and Advice service and the Clitheroe Health and Wellbeing Centre. Additional amounts have been designated as at 31 March 2021 to mitigate the risks of changes in future funding (given the current economic situation, anticipated re-commissioning of services and the impact of COVID-19). Funds have also been designated to specifically support 2021-22's shortfall in funding for the Information and Advice service and Clitheroe centre.

Changes to the Working Capital Fund have been implemented due to COVID-19's impact on the scale and size of the Help in the Home service and future forecasted working capital requirements.

There have also been minor changes to the Staffing Commitments and Building Dilapidations and Premises Fund to reflect Age UK Hertfordshire's use of the Clitheroe Health & Wellbeing Centre building and the latest estimates in relation to the TPT Growth Plan withdrawal deficit.

Financial Review (continued)

Reserves

Unrestricted General Funds

The organisation's revised Reserves Policy states that an amount of unrestricted reserves should also be held to cover the general working capital needs of the organisation and to cover ongoing regular expenditure. As cash-flow requirements vary, depending on the number of current projects and payment processing timetables, a target range of unrestricted general funds is considered appropriate to ensure sufficient finances for the future.

The organisation's revised Reserves Policy is to hold between 1 to 3 months of 'Organisational Expenditure' as unrestricted general funds.

'Organisational Expenditure' is defined as follows:

*Total organisational annual expenditure * less restricted and designated fund expenditure*

** This is based on the current (or following) financial year's budgeted expenditure*

A month of 'Organisational Expenditure' is calculated by dividing the result above by 12.

The balance of the organisation's reserves (after allocations to restricted and unrestricted designated funds) are held as unrestricted general funds. As at 31 March 2021 this amounts to £615,969 (2020 £433,196) and is shown in note 16 of the financial statements. This equates to 3.1 months of 'Organisational Expenditure', which is at the top of the reserves range stated in the organisation's Reserves Policy. The Trustees consider this appropriate to help mitigate against the current financial risks, Covid-19 uncertainty and possible service changes for 2021-22.

Also included in general unrestricted funds (due to their low value) are the organisation's fixed assets, which amount to £11,910 (2020 £17,480). These amounts can only be accessed by disposal of the fixed assets and as such are not readily available for use by the trustees. If the value of fixed assets were to increase significantly a specific designated fund would be created to match the value of the assets to ring-fence these funds.

The subsidiary trading company's reserves of £6,273 (2020 £7,938) are also included in general unrestricted funds.

Total Reserve Levels

By reviewing and updating the organisation's Reserves Policy the Board of Trustees has examined the risks to, and the level of reserves required by, the Charity to continue to deliver services to benefit the older people of Hertfordshire.

In the Trustees' view the level of reserves held at 31 March 2021 provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future.

Trading Subsidiary

The Trading subsidiary receives commissions from a commercial participation agreement with Clothes Aid (Services) Limited to raise funds for the charity. In 2019-20 the Trading Company made a profit of £8,968, which was distributed to the charity under the Deed of Covenant dated March 2020 and retained reserves of £7,938.

In 2020-21 due to the impact of Covid-19 and the reduction in ClothesAid commissions the Trading Company reported a loss of £1,665. Therefore there was no distribution to the charity at the end of the financial year and the Trading Company's retained reserves as at 31 March 2021 are £6,273.

Financial Review (continued)

Principal Funding Sources

Age UK Hertfordshire is very grateful to the following as the principal sources of funding to enable the charity to carry out its objectives and support our clients during the Covid-19 pandemic:

Funders	Funders
Hertfordshire County Council (HCC)	Hertfordshire Community NHS Trust
East & North Herts and Herts Valleys Clinical Commissioning Groups (CCGs) / Hertfordshire Primary Care Networks (PCNs)	HM Revenue & Customs (HMRC)
Age UK (National)	North Herts District Council (NHDC)
British Red Cross	Sanctuary Housing
Co-operative Group	Sport England / Herts Sports Partnership
Garfield Weston Foundation	St Albans District Council
Hertfordshire Care Providers Association (HCPA)	St Albans Old People's Trust
Hertfordshire Community Foundation	Welwyn Hatfield Borough Council

In addition, we are grateful to the clients that use our paid-for services; for the kind and generous donations from individuals and organisations; for the fundraisers giving up their time to raising money on our behalf and for those who remember us in their wills. Paid-for services, donations and legacy income are vital sources of unrestricted income to help us to continue to support the older people of Hertfordshire, both now and in the future.

Pension Liabilities

Age UK Hertfordshire operates a multi-employer defined contribution pension plan with The Pension Trust's (TPT) Growth Plan Series 4, with all employees eligible to join the scheme under auto enrolment legislation. Contribution levels of between 3% and 6% were paid by the charity in 2020-21 and these rates will continue for future financial periods and increase in line with any legislative requirements.

Series 1, 2 and 3 of the Plan are classed as defined benefit pension plans and are closed to new entrants and future accruals for existing employees. The organisation is currently making deficit contributions to Series 1 and 2 of the Growth Plan (Defined Benefit Schemes) under an arrangement with TPT that will continue until January 2025. The deficit contributions for 2020-21 were £4,484 (2019-20 £4,353) and are expected to be £4,618 for 2021-22.

The latest triennial valuation of the scheme has revealed a shortfall of assets compared with the value of liabilities, the share attributed to Age UK Hertfordshire is £84,114 (2020 £89,414). This would only be payable if Age UK Hertfordshire had no contributing members in the scheme. The Trustees have no plans to withdraw from the scheme at the current time.

Investment Policy

Under the Articles of Association, the trustees have the power "to set aside funds for special purposes or as reserves against future expenditure" and "to deposit or invest funds in any manner (but to invest only after obtaining advice from a Financial Expert, unless the Charity Trustees reasonably conclude that in all the circumstances it is unnecessary or inappropriate to do so, and having regard to the suitability of investments and the need for diversification)".

Financial Review (continued)

Investment Policy

The charity holds financial assets to fund current projects or those most likely to be commenced in the near future.

The Trustees consider that it would, therefore, be inappropriate to commit funds to longer term equity based investments and the risk inherent in them.

To manage the risks of the Covid-19 pandemic, the economic situation and the uncertainty of future income streams the Trustees have also considered that short notice access to cash assets is required. The Trustees have therefore resolved to continue holding funds in deposit accounts and to restrict these to sterling denominated accounts to avoid exchange rate and capital reduction risks at the current time.

Funds are currently held in the Charity Office of Investment Funds Deposit Account and Barclays Bank Business Premium Account. The investment situation is reviewed regularly in line with the organisation's operational and strategic working capital requirements, the organisational strategy and Reserves Policy. The use of another deposit holder would require the authorisation of the Trustees. The Trustees are satisfied with the performance of these funds in the current economic climate.

Risk Management

The Trustees meet monthly and the focus of each meeting is set out in an annual governance plan. The plan ensures that the Board regularly review the relevant aspects of the charity's risks and the full risk register is reviewed quarterly.

The organisation has a range of policies and procedures, covering all aspects of the management of the organisation, to minimise risk. The Trustees have reviewed internal controls over financial, health and safety and operating systems and believe that they are sufficient to minimise significant risks. All the charity's operating systems and policies are reviewed on a regular basis. The level and scope of the charity's insurance cover is reviewed each year before renewal.

The Trustees are confident that the present obligations of the charity can be met from the resources held and that the financial position of the charity is sufficiently robust at the current time. A strategic review has shown that the loss of any individual income stream would not place the charity at immediate risk; reserves are sufficient to allow a timely withdrawal whilst minimising hardship to clients.

During the last financial year as a result of the impact of COVID-19 the Trustees have been, and continue to, carefully and regularly monitor the ongoing risks to the organisation, its services and its financial position via the risk register, operational reviews and financial forecasting. Future plans are being modified as necessary to mitigate against these risks.

Impact of COVID-19

The impact of COVID-19 from mid – March 2020 and throughout the lockdown period affected the charity in many ways and all face to face services ceased almost overnight. Unsurprisingly this had a major impact on our clients and their families and also on our staff and volunteers as the pandemic continued throughout 2020-21. Throughout this time we have been amazed at, and proud of, the response of everyone to adapting to these new and difficult circumstances to continue to support older people across Hertfordshire.

Impact on Strategic Plans – Many of our plans have been delayed as our focus has been on ensuring client safety and well-being. Strategic plans are currently being reviewed in light of the 'new normal' for Age UK Hertfordshire, our clients, our services and the wider economy.

Impact of COVID-19

Impact on Service Delivery – COVID-19 has changed the way we work with our clients, services had to move to a telephone or electronic format to continue to support our clients and ensure no-one felt isolated and alone. Food parcels, activity and comfort packs were delivered to those needing them, especially at the beginning of the pandemic when many clients were on lockdown and had no access to cash, or online services.

Office-based staff changed the way they worked too using systems and equipment to enable working from home. Staff adapted well to the transition, ensuring the business could continue to operate a full service, wherever possible.

Where face-to-face services have resumed, virus control measures and precautions have been taken, in line with government guidelines. Higher level of Personal Protective Equipment were implemented to protect staff as well as clients. We continue to adapt and update our operational procedures and training to incorporate the latest guidance and changes in social distancing, whilst protecting our clients, staff and volunteers.

Impact on Financial Position - Regular reviews of the current and forecasted future financial position were undertaken by the Senior Management Team throughout 2020-21 and reported and reviewed by the Board as part of the organisation's governance structure. These include reviews of levels of Restricted and Unrestricted Reserves and the designations in place for plans for future periods.

Income from our paid-for service Help in the Home has been severely impacted as the service was suspended during the first lockdown. However, the service recommenced in June 2020 operating under revised procedures and with the required PPE in place.

Going Concern

The Covid-19 financial position was carefully monitored and reviewed during 2020-21. Despite the impact on the Help in the Home service income in the year the charity only reported a small deficit in the year, largely due to additional one-off Covid-19 grants supporting the charity's services and enabling the retention of staff during periods of lockdown and service changes.

At the year end the Trustees consider that the charity has adequate reserves to continue to develop and provide services during this period of uncertainty, now and also for the foreseeable future. The financial statements have therefore been prepared on the basis that the charity is a going concern, as described in the statement of accounting policies.

Legal and Administrative Information

Board of Trustees

The Board of Trustees consists of

- a. The Chair of the charity
- b. Four or more other persons elected by the charity's members at the Annual General Meeting, , though the Board may function with two other persons for a period not exceeding six months if necessary.
- c. Any persons joining the Board throughout the year may be co-opted by the board, with voting rights, and may be elected onto the Board at the next Annual General Meeting.

Legal and Administrative Information (Continued)

Board of Trustees

Charity Trustees, once appointed at an AGM, shall hold office for an initial term of two years and may be reappointed for up to two further terms of three years each. Trustees will confirm they wish to continue in the role on an annual basis, at the AGM.

New Trustees are recruited via external recruitment campaigns, which include advertising on the organisation's website, using social media and using third party recruitment sites. A two stage interview process is carried out by the Board and includes candidates' observation of at least one Trustee meeting.

The organisation has a Volunteers Policy and inducts all new volunteers into the organisation. In addition, new Trustees are given suitable training and a more detailed induction to the organisation and its services to enable them to fulfil their voluntary role.

None of our trustees receive any remuneration for their role but are entitled to claim reimbursement for out of pocket expenses incurred during their role.

Decision Making

The organisation's Delegation of Authority policy sets out the key decisions and approvals that remain the responsibility of the Board. The Trustees vote on any such decisions and approvals (in line with the organisation's governing document) and a majority of votes in favour are needed to ratify them.

The following members held honorary roles during the year:

Name	Honorary role from April 2020	Honorary role from November 2020
John Ellis	Acting Chair from November 2019	
Victoria Tassell	Trustee	
Mousumi Basu	Trustee	
Mary Compton	Trustee	
Jenny Wiles	Trustee	
Robin Kember		Co-opted July 2020; appointed at November 2020 AGM

Policies and Procedures

As a Brand Partner of Age UK, Age UK Hertfordshire adheres to, and is assessed against, the Age UK Organisational Quality Standards. However, as an independent charitable company the organisation has the autonomy to develop and implement its own policies and procedures to meet both these standards and our statutory and legislative responsibilities.

External Relationships

The organisation operates under formal partnership agreements to deliver Community Dementia Services, Hospital and Community Navigation Services and the Nutrition and Dietetics service as outlined in the Objectives, Strategy and Future Plans section above.

Management Structure

The day to day management of Age UK Hertfordshire is delegated to the Chief Executive, who reports to the Board of Trustees through the Governance structure and the Board meetings. Line management is provided by the Chair. The Chief Executive leads the Director of Operations and an Extended Management Team, who are responsible for the day-to-day management of Age UK Hertfordshire.

Legal and Administrative Information (continued)

Senior Management Team

Chief Executive	Mark Hanna (from 12 July 2021) (also Interim Chief Executive / Director of Operations until 11 July 2021) Deborah Paniagua (until 28 February 2021)
Head of Finance	Mark Brennan (from 21 June 2021) Chrissie Cornford (until 2 June 2021)
Company Secretary	Jenny Wiles (from 30 September 2020) Lorna Boyd-Bell (until 31 August 2020)

Senior Management Team Remuneration

The remuneration of the Senior Management Team is the responsibility of the Board of Trustees and this is reviewed annually in line with the organisation's Remuneration and Benefits Policy. Pay scales are in place that take into consideration the skills and experience required of the roles, the structure of the organisation and the organisation's financial position. Pay scales are reviewed periodically as part of the strategic, financial and resource planning.

Registered Office, Principal Address and Advisers

Registered Office and Principal Address

1 Silver Court
Watchmead
Welwyn Garden City
Hertfordshire
AL7 1LT

Auditors

Myers Clark
Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

Bankers

Barclays Bank plc
78 Turners Hill
Cheshunt
Hertfordshire
EN8 9BW

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Appreciation and Board of Trustees Approval

The Board of Trustees would like to record its appreciation and thanks for the work and support of the Senior Management Team, all members of staff and all volunteers.

The Trustees Report and Strategic Report (including Director's Report) were approved by the Board of Trustees.

Signed on behalf of the Trustees and Directors on 26 October 2021 by:

.....
John Ellis
Acting Chair

AGE UK HERTFORDSHIRE

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Age UK Hertfordshire for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken, in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information;
- the responsibilities set out above have been fulfilled.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (as amended for accounting periods commencing from 1 January 2019).

Certain trading operations are conducted by Age UK Hertfordshire Trading Limited (company number 2911828), which is under the control of Age UK Hertfordshire. The profits are applied to the objects of Age UK Hertfordshire, through corporate gift aid donations from the company to the charity.

AGE UK HERTFORDSHIRE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF AGE UK HERTFORDSHIRE

Opinion

We have audited the financial statements of Age UK Hertfordshire and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AGE UK HERTFORDSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF AGE UK HERTFORDSHIRE

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008, Charities Act 2011 and Companies Act 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the group for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

AGE UK HERTFORDSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF AGE UK HERTFORDSHIRE

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Employment law.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

AGE UK HERTFORDSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF AGE UK HERTFORDSHIRE

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charity's trustees as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Myers Clark

26 October 2021

**Chartered Accountants
Statutory Auditor**

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

AGE UK HERTFORDSHIRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	2	142,803	-	142,803	88,218
Charitable activities	3	1,915,213	1,398,281	3,313,494	3,544,388
Other trading activities	4	11,162	-	11,162	19,399
Investments	5	2,781	-	2,781	8,513
Total income		<u>2,071,959</u>	<u>1,398,281</u>	<u>3,470,240</u>	<u>3,660,518</u>
Expenditure on:					
Raising funds	6	62,888	-	62,888	42,782
Charitable activities	7	2,008,511	1,441,481	3,449,992	3,580,184
Total resources expended		<u>2,071,399</u>	<u>1,441,481</u>	<u>3,512,880</u>	<u>3,622,966</u>
Net incoming/(outgoing) resources before transfers		560	(43,200)	(42,640)	37,552
Gross transfers between funds		<u>(50,741)</u>	<u>50,741</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income for the year/					
Net movement in funds		(50,181)	7,541	(42,640)	37,552
Fund balances at 1 April 2020		<u>1,424,015</u>	<u>161,560</u>	<u>1,585,575</u>	<u>1,548,023</u>
Fund balances at 31 March 2021		<u><u>1,373,834</u></u>	<u><u>169,101</u></u>	<u><u>1,542,935</u></u>	<u><u>1,585,575</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

AGE UK HERTFORDSHIRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Consolidated Statement of Financial Activities (Prior year detail)

	Unrestricted funds	Restricted funds	Total 2020
Notes	£	£	£
Income and endowments from:			
Donations and legacies	88,218	-	88,218
Charitable activities	2,666,414	877,974	3,544,388
Other trading activities	19,399	-	19,399
Investments	8,513	-	8,513
Total income	<u>2,782,544</u>	<u>877,974</u>	<u>3,660,518</u>
Expenditure on:			
Raising funds	42,782	-	42,782
Charitable activities	2,545,155	1,035,029	3,580,184
Total resources expended	<u>2,587,937</u>	<u>1,035,029</u>	<u>3,622,966</u>
Net incoming/(outgoing) resources before transfers	194,607	(157,055)	37,552
Gross transfers between funds	(109,380)	109,380	-
Net income/(expenditure) for the year/			
Net incoming/(outgoing) resources	85,227	(47,675)	37,552
Fund balances at 01 April 2019	<u>1,338,788</u>	<u>209,235</u>	<u>1,548,023</u>
Fund balances at 31 March 2020	<u><u>1,424,015</u></u>	<u><u>161,560</u></u>	<u><u>1,585,575</u></u>

AGE UK HERTFORDSHIRE

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		11,910		17,480
Current assets					
Debtors	12	273,870		245,505	
Cash at bank and in hand		1,654,661		1,757,795	
		<u>1,928,531</u>		<u>2,003,300</u>	
Creditors: amounts falling due within one year	13	(397,506)		(435,205)	
Net current assets			1,531,025		1,568,095
Total assets less current liabilities			<u>1,542,935</u>		<u>1,585,575</u>
Income funds					
Restricted funds	15		169,101		161,560
<u>Unrestricted funds</u>					
Designated funds	16	757,865		990,819	
General unrestricted funds	16	<u>615,969</u>		<u>433,196</u>	
			1,373,834		1,424,015
			<u>1,542,935</u>		<u>1,585,575</u>

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

The financial statements were approved by the Trustees on 26 October 2021

John Ellis
Trustee

Company Registration No. 03539971

AGE UK HERTFORDSHIRE

CHARITY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		11,910		17,480
Investments	11		1		1
			<u>11,911</u>		<u>17,481</u>
Current assets					
Debtors	12	273,870		251,896	
Cash at bank and in hand		<u>1,644,207</u>		<u>1,740,758</u>	
		1,918,077		1,992,654	
Creditors: amounts falling due within one year	13	<u>(393,325)</u>		<u>(432,499)</u>	
Net current assets			<u>1,524,752</u>		<u>1,560,155</u>
Total assets less current liabilities			<u>1,536,663</u>		<u>1,577,636</u>
Income funds					
Restricted funds	15		169,101		161,560
<u>Unrestricted funds</u>					
Designated funds	16	757,865		990,819	
General unrestricted funds	16	<u>609,697</u>		<u>425,257</u>	
			<u>1,367,562</u>		<u>1,416,076</u>
			<u>1,536,663</u>		<u>1,577,636</u>

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

The financial statements were approved by the Trustees on 26 October 2021

John Ellis
Trustee

Company Registration No. 03539971

AGE UK HERTFORDSHIRE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(105,915)		10,100
Investing activities					
Purchase of tangible fixed assets		-		(11,366)	
Interest received		2,781		8,513	
Net cash generated from/(used in) investing activities			2,781		(2,853)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(103,134)		7,247
Cash and cash equivalents at beginning of year			1,757,795		1,750,548
Cash and cash equivalents at end of year			1,654,661		1,757,795
Relating to:					
Cash at bank and in hand			1,654,661		1,757,795

The charity has taken advantage of the disclosure exemptions in paragraph 1.12 of FRS 102 in choosing to not prepare a separate charity statement of cash flows. The charity's statement of cash flows is consolidated in the consolidated statement of cash flows above.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.1 Accounting convention

The consolidated financial statements have been prepared in accordance with the group's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019) and the Charities Act 2011. The group is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

The charity has designated funds at the year-end which comprise funds for the IT & Communications Development Fund (for replacement of hardware and IT & communications infrastructure), Project Development Fund (for project continuation, matched funding and the development of new projects), Staffing Commitments Fund (in relation to anticipated future staffing commitments), Building Dilapidations Fund (for reinstatement of premises at the end of current leases) and Working Capital Fund (in relation to the working capital requirements of key projects). For all operational designated funds, expenditure is incurred on an ongoing regular basis.

Restricted funds are subject to specific conditions by donors as to how they may be used that are narrower than the general charitable purposes of the charity.

1.4 Income recognition

Income is recognised when the group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the group has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the group has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset. In the event that income is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Donated goods, facilities and services provided to the charity are included as income (with an equivalent amount recognised as a cost) where the value to the charity can be quantified. This is determined as the value of the donated goods, facilities and services to the charity and is equivalent to the open market price the charity would have paid for them. No financial amounts have been included within the financial statements for the services provided by volunteers.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest payable from the bank.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, and net of discounts.

1.5 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure; it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis. Irrecoverable VAT is charged against the expenditure heading for which it was incurred. All expenses including support and governance costs are allocated or apportioned to the applicable expenditure headings.

Expenditure on raising funds comprises costs incurred in the trading subsidiary, fund raising and an apportionment of governance and support costs.

Expenditure on charitable activities includes an apportionment of governance and support costs.

Support costs are initially identified between governance and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include statutory audit and legal fees together with an apportionment of overhead costs. Other support costs comprise the general running costs of the charity.

Support costs have been apportioned based on the full time equivalent numbers of staff engaged in each activity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Office assets for administration use costing more than £2,000 with an estimated useful life of at least 3 years are capitalised. Office assets purchased for project use are written off in the year of purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Length of the lease
Fixtures, fittings and equipment	3 to 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/ (expenditure) for the year.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.7 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.13 Pension scheme

The charity offers membership of The Pensions Trust Growth Plan to all staff under the pensions audit enrolment legislation. The charity and staff members each contribute either the minimum percentage contributions under auto enrolment or 6% of their salary to the scheme. The plan is a multi-employer defined benefit pension plan. It is not possible to identify the charity's share of the underlying assets and liabilities. Pension costs in respect of the scheme are charged as they are incurred.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	48,848	43,353
Legacies receivable	93,955	44,865
	<u>142,803</u>	<u>88,218</u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Charitable activities

	Fee and activity income	Service level agreements	Performance related grants	Total 2021	Total 2020
	£	£	£	£	£
Fee and activity income	905,180	-	-	905,180	1,703,528
Service level agreements	-	826,685	-	826,685	660,772
Performance related grants	-	-	1,581,629	1,581,629	1,180,088
	<u>905,180</u>	<u>826,685</u>	<u>1,581,629</u>	<u>3,313,494</u>	<u>3,544,388</u>
Analysis by fund					
Unrestricted funds	905,180	-	1,010,033	1,915,213	
Restricted funds	-	826,685	571,596	1,398,281	
	<u>905,180</u>	<u>826,685</u>	<u>1,581,629</u>	<u>3,313,494</u>	
For the year ended 31 March 2020					
Unrestricted funds	1,703,528	-	962,886		2,666,414
Restricted funds	-	660,772	217,202		877,974
	<u>1,703,528</u>	<u>660,772</u>	<u>1,180,088</u>		<u>3,544,388</u>

Government grants and other support

Included in performance related grants is £1,337,222 (2020: £1,069,501) received from local authorities, the majority of which funds Active Ageing (£332,117) (2020: £291,893), Health Related Services (£498,407) (2020: £469,730) and Visiting Scheme & InTouch (£232,554) (2020: £232,554). At 31 March 2021, all amounts in relation to these amounts were expended and the performance criteria had been met (2020: All amounts expended at the year end).

4 Other trading activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Turnover from Trading Company's operations	2,641	-	2,641	11,715
Fundraising income	203	-	203	1,102
Other	8,318	-	8,318	6,582
	<u>11,162</u>	<u>-</u>	<u>11,162</u>	<u>19,399</u>
Other trading activities				
	<u>19,399</u>	<u>-</u>		<u>19,399</u>
For the year ended 31 March 2020				

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	2,781	8,513

6 Raising funds

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	2,229	2,313
Staff costs	43,825	27,155
Support costs	12,528	10,567
Fundraising and publicity	58,582	40,035
<u>Trading costs</u>		
Trading company - administrative expenses	4,306	2,747
	62,888	42,782

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	Active Ageing	Information and Advice	Paid-For Services	Dementia Services	Health Related Services	Visiting Scheme & InTouch	Total 2021	Total 2020
	£	£	£	£	£	£	£	£
Staff costs	297,218	79,044	928,897	171,397	468,416	142,388	2,087,360	2,203,985
Other direct costs	34,485	5,467	142,187	517,378	31,029	6,899	737,445	710,949
	331,703	84,511	1,071,084	688,775	499,445	149,287	2,824,805	2,914,934
Share of support costs (see note 8)	140,147	35,758	131,286	92,842	160,987	64,167	625,187	665,250
	471,850	120,269	1,202,370	781,617	660,432	213,454	3,449,992	3,580,184
Analysis by fund								
Unrestricted funds	341,982	20,559	987,883	-	444,633	213,454	2,008,511	
Restricted funds	129,868	99,710	214,487	781,617	215,799	-	1,441,481	
	471,850	120,269	1,202,370	781,617	660,432	213,454	3,449,992	

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

Charitable activities (prior year detail)

	Active Information and Advice		Paid-For Services	Dementia Services	Health Related Services	Visiting Scheme & InTouch	Total 2020
	£	£	£	£	£	£	£
Staff costs	300,645	92,241	1,103,283	161,071	413,470	133,275	2,203,985
Other direct costs	155,033	10,611	66,255	434,159	28,388	16,503	710,949
	455,678	102,852	1,169,538	595,230	441,858	149,778	2,914,934
Share of support costs (see note 8)	161,226	34,086	150,320	72,377	175,658	71,583	665,250
	616,904	136,938	1,319,858	667,607	617,516	221,361	3,580,184
Analysis by fund							
Unrestricted funds	481,487	81,138	1,303,103	-	458,066	221,361	2,545,155
Restricted funds	135,417	55,800	16,755	667,607	159,450	-	1,035,029
	616,904	136,938	1,319,858	667,607	617,516	221,361	3,580,184

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Support & governance costs

	2021	2020
	£	£
SUPPORT COSTS		
Staff costs	412,982	418,869
Training, recruitment & travel	2,179	9,604
Computer equipment	48,802	42,477
Postage, printing & telephone	34,979	43,842
Premises	90,235	117,649
Depreciation	5,570	7,241
Legal & professional	11,195	10,658
Other support costs	17,675	5,200
Allocated to governance costs	(2,771)	(6,114)
GOVERNANCE COSTS	16,869	26,391
	<u>637,715</u>	<u>675,817</u>
Analysed between		
Fundraising	12,528	10,567
Charitable activities	<u>625,187</u>	<u>665,250</u>
	<u>637,715</u>	<u>675,817</u>

Governance costs includes payments to the auditors of £10,680 (2020 - £11,076) for audit fees and £2,640 (2020 - £2,970) for accountancy fees.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Staff and Volunteers

Number of employees

	GROUP		GROUP	
	Average headcount		Full time equivalent employee numbers	
	2021	2020	2021	2020
	Number	Number	Number	Number
Active Ageing	37	39	14	14
Visiting Scheme & In Touch	9	8	6	8
Information & Advice	3	3	3	3
Hertswise	7	7	6	5
Health Related Services	19	19	16	13
Help in the Homes	187	331	49	61
Fundraising	1	1	1	1
Management and administration	13	12	11	8
Governance	1	1	-	1
	<u>277</u>	<u>421</u>	<u>106</u>	<u>114</u>

Employment costs

	2021	2021	2020	2020
	Group	Charity	Group	Charity
	£	£	£	£
Wages and salaries	2,344,331	2,344,331	2,460,895	2,460,895
Social security costs	121,521	121,521	116,685	116,685
Pension costs	78,315	78,315	72,429	72,429
	<u>2,544,167</u>	<u>2,544,167</u>	<u>2,650,009</u>	<u>2,650,009</u>

Employee Benefits Disclosure

The number of employees receiving total employee benefits exceeding £60,000 (excluding pension costs) were:

	2021	2020
	Number	Number
£80,000 - £90,000	<u>1</u>	<u>-</u>
Total number of employees	<u>1</u>	<u>-</u>

In 2020 there were no employees who received total employee benefits of over £60,000 (excluding pension costs).

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Staff and Volunteers

Disclosure on redundancy and termination payments

Total redundancy and termination payments in the year amounted to £37,470 (2020: £Nil) and related to redundancy and settlement payments.

Termination payments are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination payments.

At the balance sheet date (31 March 2021) all amounts due had been paid.

Pension costs

Staff are entitled to contribute to TPT's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. Series 1, 2 and 3 of the Plan is a multi-employer defined benefit pension plan. Series 4 of the Growth Plan is a defined contribution pension plan. Series 3 of the Plan closed on 30 September 2013 and from this date all contributions are paid in to the Plan Series 4.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS 102 represents the employer contribution payable.

A triennial valuation was completed on the Growth Plan as at 30 September 2020 by a professionally qualified actuary. Using the Buy-Out Basis the valuation revealed a shortfall of assets compared with the value of liabilities of £140.7m equivalent to a funding level of 85%. This is an improved funding position compared with the previous triennial valuation carried out as at 30 September 2017 (£187.2m funding deficit, funding level of 81%). As at 30 September 2020 the share of this attributed to Age UK Hertfordshire has been calculated by TPT to be £84,114 (30 September 2019 value - £89,414). This would only be payable if Age UK Hertfordshire had no contributing members in the pension scheme. The charity has no plans to withdraw from the scheme.

As part of the triennial valuation the Technical Provisions (or scheme funding) basis is used for calculating the Plan's ongoing funding position and establishes whether the Plan is in surplus or deficit, and if a recovery plan is needed.

At the 2014 triennial valuation a £176.5m deficit was identified (82% funding level) and employers began making deficit payment contributions under a recovery plan due to end on 30 September 2025.

At the 2017 valuation, the deficit reduced to £131.5m (86% funding level). As a result a new recovery plan was implemented by the TPT trustee, following consultation with the TPT Employer Committee and advice from the TPT Plan Actuary. Revised deficit contributions increasing at 3% per annum, were payable from 1 April 2019, although the length of the recovery plan was reduced by eight months to 31 January 2025.

As the 30 September 2020 valuation the deficit has decreased to £33.3m (96% funding level). The deficit figure no longer includes the capitalised value of expenses payments due to the Plan, as these will be accounted for separately in future. This has the result of reducing the deficit from £57.6m to £33.3m.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Staff and Volunteers

As a result of the reduction in the deficit the TPT Trustees, following advice from the actuary, aim to implement a new recovery plan. Under the new plan, the total deficit contributions due from employers will reduce from 1 April 2022, no annual increase will be applied to these contributions and the recovery plan will remain unchanged, with an end date of 31 January 2025.

Age UK Hertfordshire's deficit contributions started from 1 April 2013 at £2,699 per annum with a 3% per annum increase. Under the 2017 valuation recovery plan, Age UK Hertfordshire paid annual deficit contributions of £4,353 from 1 April 2019 and these contributions were increased by 3% per annum on each 1 April thereafter. In 2020-21 Age UK Hertfordshire paid deficit contributions of £4,484 and the deficit contributions in 2021-22 are expected to be £4,618. From 1 April 2022, following the September 2020 triennial valuation, overall annual deficit contributions are set to decrease.

The next triennial valuation is scheduled for 30 September 2023.

Contributions of £31,334 (2020 - £35,472) were outstanding at the balance sheet date. No amounts were prepaid at the balance sheet date (2020 - £nil).

Volunteers

Additionally the work of Age UK Hertfordshire would not be possible without the significant contribution of volunteers, who provide support across all projects and all geographical areas.

10 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 April 2020	13,465	38,172	51,637
At 31 March 2021	13,465	38,172	51,637
Depreciation and impairment			
At 1 April 2020	4,678	29,479	34,157
Depreciation charged in the year	1,818	3,752	5,570
At 31 March 2021	6,496	33,231	39,727
Carrying amount			
At 31 March 2021	6,969	4,941	11,910
At 31 March 2020	8,787	8,693	17,480

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Investment in UK subsidiary

Age UK Hertfordshire Trading Limited	CHARITY £
Cost and net book value	
At 1 April 2020 and at 31 March 2021	1

The results and capital and reserves of Age UK Hertfordshire Trading Limited are consolidated in these accounts.

The charity owns the single issued ordinary share in Age UK Hertfordshire Trading Limited (company registration number 02911828), which is incorporated in England and Wales (registered office address: 1 Silver Court, Watchmead, Welwyn Garden City, Hertfordshire, AL7 1LT). The subsidiary is a trading company which transfers its taxable profit to the charity under a Deed of Covenant dated 25 March 2020. A summary of the trading results is shown below. The principal activity of the company during the year was receiving commission based payments on clothes recycling services.

	2021 £	2020 £
Turnover	2,641	11,715
Administrative expenses	(4,306)	(2,747)
Operating profit	(1,665)	8,968
Gift Aid paid to Age UK Hertfordshire	-	(8,968)
Profit/(loss) for the year	(1,665)	-
Retained profit brought forward	7,937	7,937
Retained profit carried forward	6,272	7,937
The assets and liabilities of the subsidiary were:		
Current assets	10,454	19,612
Creditors: amounts falling due within one year	(4,181)	(11,674)
	6,273	7,938
Aggregate share capital and reserves	6,273	7,938

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Amounts falling due within one year:				
Trade debtors	145,362	145,362	153,518	150,942
Amounts due from subsidiary undertakings	-	-	-	8,968
Prepayments and accrued income	128,508	128,508	91,987	91,986
	<u>273,870</u>	<u>273,870</u>	<u>245,505</u>	<u>251,896</u>

13 Creditors: amounts falling due within one year

	Notes	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Other taxation and social security		33,521	33,521	34,919	34,919
Deferred income	14	98,304	98,304	160,409	160,409
Trade creditors		95,708	92,517	38,328	36,522
Other creditors		156,689	156,689	171,850	171,850
Accruals		13,284	12,294	29,699	28,799
		<u>397,506</u>	<u>393,325</u>	<u>435,205</u>	<u>432,499</u>

14 Deferred income

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Other deferred income	98,304	98,304	160,409	160,409
	<u>98,304</u>	<u>98,304</u>	<u>160,409</u>	<u>160,409</u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Deferred income

The movement in deferred income in the year was as follows:

	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Balance at 1 April	160,409	160,409	175,674	175,674
Amount released to income from charitable activities	(158,293)	(158,293)	(172,419)	(172,419)
Amount released to income from legacies and other trading activities	(2,116)	(2,116)	(3,255)	(3,255)
Amount deferred in year from income from charitable activities	96,170	96,170	158,293	158,293
Amount deferred in year from income from other trading activities	2,134	2,134	2,116	2,116
Balance at 31 March	98,304	98,304	160,409	160,409

Deferred income relates to amounts received prior to the year end and in accordance with accounting standards and Charities SORP are deferred for recognition in a future period.

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

GROUP - CURRENT YEAR

	Balance at 1 April 2020	Movement in funds			Balance at 31 March 2021
	£	Incoming resources £	Resources expended £	Transfers £	£
Charitable Services	161,560	1,398,281	(1,441,481)	50,741	169,101
	<u>161,560</u>	<u>1,398,281</u>	<u>(1,441,481)</u>	<u>50,741</u>	<u>169,101</u>

CHARITY - CURRENT YEAR

	Balance at 1 April 2020	Movement in funds			Balance at 31 March 2021
	£	Incoming resources £	Resources expended £	Transfers £	£
Charitable Services	161,560	1,398,281	(1,441,481)	50,741	169,101
	<u>161,560</u>	<u>1,398,281</u>	<u>(1,441,481)</u>	<u>50,741</u>	<u>169,101</u>

Transfers from unrestricted funds to restricted funds have been made during the year in relation to support and other costs not covered from restricted funds brought forward or income received in the year.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Restricted funds

GROUP - PRIOR YEAR

	Movement in funds			
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers
	£	£	£	£
Charitable Services	209,235	877,974	(1,035,029)	109,380
	<u>209,235</u>	<u>877,974</u>	<u>(1,035,029)</u>	<u>109,380</u>
	<u>209,235</u>	<u>877,974</u>	<u>(1,035,029)</u>	<u>109,380</u>

CHARITY - PRIOR YEAR

	Movement in funds			
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers
	£	£	£	£
Charitable Services	209,235	877,974	(1,035,029)	109,380
	<u>209,235</u>	<u>877,974</u>	<u>(1,035,029)</u>	<u>109,380</u>
	<u>209,235</u>	<u>877,974</u>	<u>(1,035,029)</u>	<u>109,380</u>

16 Unrestricted funds

The income funds of the charity include the following designated funds which are included within unrestricted funds but have been set aside by the trustees for specific purposes (as detailed in the Trustee Annual Report):

GROUP - CURRENT YEAR

	Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers
	£	£	£	£
Designated Funds				
IT & Communications	100,000	-	-	(50,000)
Project Development	502,644	-	(203,051)	48,961
Staffing Commitments	225,038	-	-	(8,674)
Building Dilapidations	45,000	-	-	5,000
Working Capital	118,137	-	-	(25,190)
	<u>990,819</u>	<u>-</u>	<u>(203,051)</u>	<u>(29,903)</u>
	990,819	-	(203,051)	(29,903)
General Unrestricted Funds	<u>433,196</u>	<u>2,071,959</u>	<u>(1,868,348)</u>	<u>(20,838)</u>
	433,196	2,071,959	(1,868,348)	(20,838)
Total unrestricted funds	<u>1,424,015</u>	<u>2,071,959</u>	<u>(2,071,399)</u>	<u>(50,741)</u>
	1,424,015	2,071,959	(2,071,399)	(50,741)

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Unrestricted funds

GROUP - PRIOR YEAR

	Balance at 1 April 2019	Movement in funds			Balance at 31 March 2020
	£	Incoming resources	Resources expended	Transfers	£
Designated Funds					
IT & Communications	75,000	-	-	25,000	100,000
Project Development	525,468	-	(156,724)	133,900	502,644
Staffing Commitments	234,042	-	-	(9,004)	225,038
Building Dilapidations	51,000	-	-	(6,000)	45,000
Working Capital	113,343	-	-	4,794	118,137
	998,853	-	(156,724)	148,690	990,819
General Unrestricted Funds	339,935	2,782,544	(2,431,213)	(258,070)	433,196
Total unrestricted funds	1,338,788	2,782,544	(2,587,937)	(109,380)	1,424,015

CHARITY - CURRENT YEAR

	Balance at 1 April 2020	Movement in funds			Balance at 31 March 2021
	£	Incoming resources	Resources expended	Transfers	£
Designated Funds					
IT & Communications	100,000	-	-	(50,000)	50,000
Project Development	502,644	-	(203,051)	48,961	348,554
Staffing Commitments	225,038	-	-	(8,674)	216,364
Building Dilapidations	45,000	-	-	5,000	50,000
Working Capital	118,137	-	-	(25,190)	92,947
	990,819	-	(203,051)	(29,903)	757,865
General Unrestricted Funds	425,257	2,069,318	(1,864,040)	(20,838)	609,697
Total unrestricted funds	1,416,076	2,069,318	(2,067,091)	(50,741)	1,367,562

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Unrestricted funds

CHARITY - PRIOR YEAR

	Balance at 1 April 2019	Movement in funds			Balance at 31 March 2020
	£	Incoming resources £	Resources expended £	Transfers £	£
Designated Funds					
IT & Communications	75,000	-	-	25,000	100,000
Project Development	525,468	-	(156,724)	133,900	502,644
Staffing Commitments	234,042	-	-	(9,004)	225,038
Building Dilapidations	51,000	-	-	(6,000)	45,000
Working Capital	113,343	-	-	4,794	118,137
	998,853	-	(156,724)	148,690	990,819
General Unrestricted Funds	331,998	2,770,829	(2,419,500)	(258,070)	425,257
Total unrestricted funds	1,330,851	2,770,829	(2,576,224)	(109,380)	1,416,076

17 Analysis of net assets between funds

GROUP - CURRENT YEAR

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	11,910	-	11,910
Current assets/(liabilities)	1,361,924	169,101	1,531,025
	1,373,834	169,101	1,542,935

CHARITY - CURRENT YEAR

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	11,910	-	11,910
Investments	1	-	1
Current assets/(liabilities)	1,355,651	169,101	1,524,752
	1,367,562	169,101	1,536,663

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Analysis of net assets between funds

GROUP - PRIOR YEAR

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Tangible assets	17,480	-	17,480
Current assets/(liabilities)	1,406,535	161,560	1,568,095
	<u>1,424,015</u>	<u>161,560</u>	<u>1,585,575</u>

CHARITY - PRIOR YEAR

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Tangible assets	17,480	-	17,480
Investments	1	-	1
Current assets/(liabilities)	1,398,595	161,560	1,560,155
	<u>1,416,076</u>	<u>161,560</u>	<u>1,577,636</u>

18 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	66,906	66,257
Between two and five years	200,030	266,936
	<u>266,936</u>	<u>333,193</u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	205,870	166,008

No trustee received any remuneration or benefits from the charity or its subsidiary (2020 - none). Two trustees received reimbursement for expenses of £129 (2020 - Three trustees received reimbursement for travel expenses of £782).

20 Subsidiaries

Details of the group's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Age UK Hertfordshire Trading Limited	England & Wales	Trading Company	Ordinary	100.00

21 Analysis of changes in net funds

The group had no debt during the year.

22 Cash generated from operations	2021 £	2020 £
(Deficit)/surplus for the year	(42,640)	37,552
Adjustments for:		
Investment income recognised in statement of financial activities	(2,781)	(8,513)
Depreciation and impairment of tangible fixed assets	5,570	7,195
Movements in working capital:		
(Increase)/decrease in debtors	(28,365)	49,652
(Decrease) in creditors	(37,699)	(75,786)
Cash (absorbed by)/generated from operations	(105,915)	10,100