

Charity Registration No. 1126170

Company Registration No. 06655221 (England and Wales)

AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees

Mr T N Davies
Mrs M A Williams
Ms M Pickering
Mrs M Thomson
Mr E J Williams
Ms K Smith
Mrs J Langley

(Appointed 30 September
2020)

Secretary

Mrs K Crane

Charity number

1126170

Company number

06655221

Registered office

Lewis House
Swan Street
Flint
CH6 5BP

Auditor

DSG
Castle Chambers
43 Castle Street
Liverpool
L2 9TL

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
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**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Charity Information

Age Connects North East Wales (ACNEW) was set up in 2001 originally as Age Concern North East Wales and so this year will be celebrating its twentieth anniversary. In that time it has grown to meet the needs of the increasing numbers of older people over 50 in Wrexham County and Flintshire.

Objectives and activities

ACNEW's mission is to support older people and their carers in having the best possible quality of life. The charity operates as a non-profit organisation for the benefit of people who are 50 plus living in Flintshire and Wrexham County Borough.

ACNEW aims to achieve its mission by -

- Providing responsive, person centred services to older people and their carers
- Promoting safe and healthy living for older people
- Raising the image and profile of older people's life issues
- Working in participation and co-operation with other like-minded organisations
- Continuously developing the organisation in a sustainable, efficient and effective way.

The charity has specific objectives that enable it to achieve these aims -

- To provide timely and accurate information, advice and other appropriate support on the range of goods and services available to older people and their carers.
- To advocate on behalf of older people, and actively seek to promote their views at strategic committees of all statutory and other government bodies.
- To maximise the income available to and for older people and their carers, through close and co-operative working with partner organisations when appropriate.
- To research, identify and raise awareness of the unmet needs of older people and their carers locally.
- To develop a volunteer-base to complement the delivery of services.
- To promote the safety and security of older people in day-to-day living.
- To support the good health and wellbeing of older people through promoting physical activity, the consumption of a health promoting diet, and any other activity that can contribute to good mental/physical health in older age.
- To promote the development of a wide range of leisure and social opportunities for older people, especially any which help to build community cohesion and break down the barriers between generations.
- To promote, initiate, support and develop a variety of methods to ensure that older people are consulted and included in decisions that are made about services and other matters that affect their lives.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Achievements and performance

Due to Coronavirus, 2020/21 was like no other year that the charity had ever experienced. However throughout, ACNEW continued to support older people and help them cope with the challenges that the Covid-19 pandemic created. Services were adapted to cope with the lockdown regulations and new services introduced to ensure that older people's needs were met during this testing time.

ACNEW was successful in securing several funding applications that were specifically available to help provide services and personal protective equipment (PPE) during the pandemic.

Funding was received from the Tesco Bags of Help Scheme to cover the cost of staff and volunteer expenses in delivering shopping and prescription collections during the pandemic.

The Steve Morgan Foundation awarded ACNEW a grant to purchase and deliver food parcels and/or to deliver shopping or prescriptions.

Flintshire Voluntary Services Council's Voluntary Services Emergency Fund awarded funding to purchase PPE to help meet government guidelines when restarting services.

Donations were received from both SP Energy Networks and Severn Trent Water to support people during the pandemic.

The charity also applied to the Voluntary Services Emergency Fund to cover the costs of coordinating the Covid-19 shopping project.

In addition to the above ACNEW was successful with its tender application to Wrexham County Borough Council (WCBC) to deliver floating support for older people living in Wrexham County Borough.

Last, but not least funding was received from the National Lottery Community Fund to continue the expanded telephone befriending service.

Priorities for the year were impeded by the response required to the pandemic but the charity was delighted to secure on-going funding from WCBC to secure services for older people in Wrexham County Borough.

During 2020/21 more older people than ever contacted the organisation for information and advice either on the phone or via the website.

Like so many businesses and organisations ACNEW had no idea how the pandemic was going to impact on services. All cleaning and assisted visit support was cancelled during the lockdown in line with the Welsh Government guidelines and resulted in 10 Home Solutions staff being furloughed. What followed was a massive surge in referrals for help with shopping and prescription collection. In the first week of lockdown over 80 referrals were received from new clients asking for help, many of them via Flintshire County Council and their Older Peoples Accommodation Support Services. ACNEW's response was much appreciated as the quote below demonstrates.

"I just wanted to take this opportunity to thank you for your continued support and partnership during this period and let you know how pleased we are of the support." *Accommodation Support Team Leader FCC.*

Very quickly the Home Solutions service was transformed into a Covid-19 free shopping and prescription service utilising the remaining unfurloughed Home Solutions staff, volunteers, retired/previous ACNEW staff and current salaried staff. The charity was able to successfully set up the project and remarkably dealt with the demand.

During the lockdown periods in 2020/21 an additional 192 clients were supported with shopping and prescription requests.

By adapting the way that Advisers supported their clients, they were still able to achieve a figure of £603,755 in benefit gains for older people.

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Financial review

Income for the year was £401,919 (2020: £339,517) and expenditure was £402,619 (2020: £344,994). This resulted in a deficit for the year of £700 (2020: £5,477).

During the previous year the charity undertook a valuation exercise on Lewis House. This resulted in a valuation increase on the property which has in turn created a revaluation reserve on the balance sheet of £73,690.

As at the 31st March 2021 the total unrestricted reserves of the charity amounted to £287,302 (2020: £288,002).

Heavily impacted by the Coronavirus pandemic, 2020/21 was a difficult financial year for ACNEW; donations and legacies income of £9,164 was 34% lower than the 2019/20 total, and trading income fell significantly for both the Home Solutions service and the Toe Nall Cutting service. The overall year-end position however, was a reduced call on reserves consequent to the receipt of a series of one-off Covid-19 specific grants together with the securing of some new (and on-going) funding streams.

Reserves policy

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future plans

Agreed priorities for 2021/22 (Covid permitting).

Long term:

- To sustain the quality of all services, wherever and whatever they are, and to actively engage with service users in respect of enhancing the quality of services.
- Develop community links and networking opportunities, joint talks, presentations etc.

Medium term:

- Once the pandemic is under control, based on the known potential value of Lewis House, develop and implement plans which will increase the income realised from this asset and maintain and enhance the fabric and appearance of the building.
- Develop a marketing and promotional strategy to enable the charity to raise the profile of the organisation and Lewis House, making use of the website and social media.
- Continue to seek funding opportunities and grants that are appropriate e.g. Face to Face Befriending, and develop a portfolio of case studies to support any future bids.

Short term:

- Review growth of social enterprises following the pandemic.

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Structure, governance and management

The charitable company is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr T N Davies

Mrs M A Williams

Ms M Pickering

Mrs M Thomson

Mr E J Williams

Mr S W Murray

(Resigned 30 September 2020)

Ms K Smith

Mrs J Langley

(Appointed 30 September 2020)

On 25 September 2020 the charity held its AGM via Zoom.

Marjorie Thomson was elected as Chair and Mabyn Pickering Vice-Chair.

Stuart Murray resigned as a trustee, after supporting the organisation for 5 years. Many thanks to Stuart for all his work as Treasurer.

Jennifer Langley was elected on to the Board as a new trustee.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Our staff

Some of the staff were furloughed during 2020/21 and supported under the Job Retention Scheme. Others were able to adapt and work from home, supporting clients over the telephone.

During the second half of the year additional staff were transferred to ACNEW following the successful bid to WCBC for a floating support service for older people.

All staff made a positive impact during a difficult year supporting the charity's vulnerable clientele.

Our volunteers

There was an increase in the number of volunteers this year, with the public responding to calls to help with the telephone befriending service and free shopping delivery and prescription collection. The charity had up to 30 volunteers during lockdown, an increase of 15.

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Acknowledgements

The Board would like to thank the following organisations and individuals without whom it would not have been possible for the activity and successes described in this annual report to have been delivered:

- Flintshire County Council
- Wrexham County Borough Council
- Welsh Government
- Volunteer Bureau at FLVC and AVOW
- Wales Council for Voluntary Action (WCVA)
- The Department for Work and Pensions
- Watkins Smith Ltd
- Clwyd Alyn Housing
- Ysgol Maes Hyfryd
- Lloyds Bank Foundation
- The Coalfields Regeneration Trust
- People's Postcode Trust
- The Steve Morgan Foundation
- Ian Llewelyn Jones
- Vauxhall Motors Employees
- Age Cymru
- National Lottery Community Fund
- SP Energy Networks
- Severn Trent Water
- Tesco

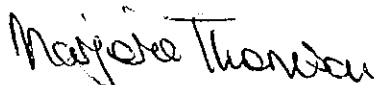
Auditor

The auditor, DSG, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of Information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mrs M Thomson

Trustee

Dated: 14 September 2021

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees, who are also the directors of Age Connects North East Wales 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 charitable company 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 charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT**

TO THE TRUSTEES OF AGE CONNECTS NORTH EAST WALES

Opinion

We have audited the financial statements of Age Connects North East Wales (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF AGE CONNECTS NORTH EAST WALES**

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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Capability of the audit in detecting irregularities, including fraud

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 CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF AGE CONNECTS NORTH EAST WALES**

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
for and on behalf of DSG

14 September 2021

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

| | Notes | Unrestricted funds 2021 £ | Unrestricted funds 2020 £ |
|--|-------|------------------------------------|------------------------------------|
| <u>Income from:</u> | | | |
| Donations and legacies | 2 | 9,164 | 13,938 |
| Charitable activities | 3 | 392,558 | 324,913 |
| Investments | 4 | 197 | 666 |
| | | <u>401,919</u> | <u>339,517</u> |
| Total Income | | | |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 5 | 402,619 | 344,994 |
| | | <u>(700)</u> | <u>(5,477)</u> |
| Net outgoing resources | | | |
| Other recognised gains and losses | | | |
| Revaluation of tangible fixed assets | 9 | - | 73,390 |
| | | <u>(700)</u> | <u>67,913</u> |
| Net movement in funds | | | |
| Fund balances at 1 April 2020 | | 288,002 | 220,089 |
| Fund balances at 31 March 2021 | | <u>287,302</u> | <u>288,002</u> |

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET**

AS AT 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|---------|-----------|---------|
| Fixed assets | | | | | |
| Tangible assets | 9 | | 151,184 | | 153,951 |
| Current assets | | | | | |
| Debtors | 10 | 24,357 | | 18,405 | |
| Cash at bank and in hand | | 153,672 | | 155,424 | |
| | | 178,029 | | 173,829 | |
| Creditors: amounts falling due within one year | 11 | (41,911) | | (39,778) | |
| Net current assets | | | 136,118 | | 134,051 |
| Total assets less current liabilities | | | 287,302 | | 288,002 |
| Income funds | | | | | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 13 | 77,992 | | 77,992 | |
| General unrestricted funds | | 135,920 | | 136,620 | |
| | | 213,912 | | 214,612 | |
| Revaluation reserve | | 73,390 | | 73,390 | |
| | | | 287,302 | | 288,002 |
| | | | 287,302 | | 288,002 |

The financial statements were approved by the Trustees on 14 September 2021

Margaret Thomson

Mrs M Thomson
Trustee

Company Registration No. 06655221

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

Charity Information

Age Connects North East Wales is a private company limited by guarantee incorporated in England and Wales. The registered office is Lewis House, Swan Street, Flint, CH6 5BP. The principal activities of the charity are detailed in the Trustees' Report.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. 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. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees have reviewed the immediate impact of the Coronavirus pandemic which has had an impact on fundraising streams and the costs of delivering services.

At the time of approving the accounts the trustees consider that the charity has adequate reserves and diverse revenue streams to continue in operational existence for the foreseeable future taking account of economic uncertainties caused by the pandemic. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charitable company 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.

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(Continued)

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in the Statement of Financial Activities (SOFA) when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Incoming resources from grants, when related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by the volunteers has not been included in these accounts.

Investment income is included when receivable.

Incoming resources from charitable trading activity are accounted for when earned.

Legacies are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's provision of services.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of resources. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

1.6 Tangible fixed assets

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

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

| | |
|--------------------------------|----------|
| Land and buildings | 50 years |
| Fixtures, fittings & equipment | 3 years |

**AGE CONNECTS NORTH EAST WALES
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(Continued)

Straight line depreciation is provided for on all property, furniture and equipment with a finite useful life, with provision made from the first financial year following acquisition.

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.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible 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 charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company 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.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

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FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.10 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charitable company 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.

2 Donations and legacies

| | Unrestricted funds 2021 £ | Unrestricted funds 2020 £ |
|---------------------|------------------------------------|------------------------------------|
| Donations and gifts | 9,164 | 13,938 |

**AGE CONNECTS NORTH EAST WALES
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

3 Charitable activities

| | Services 2021 £ | Services 2020 £ |
|-----------------------------------|--------------------------------|--------------------------------|
| Income from charitable activities | 109,650 | 186,799 |
| Service grants *** | 282,908 | 138,114 |
| | <u>392,558</u> | <u>324,913</u> |

***** Service grants**

| | | |
|--|----------------|----------------|
| Flintshire County Council and Wrexham County Borough Council | 194,109 | 106,926 |
| Lloyds Bank Foundation | 24,380 | 24,380 |
| Coalfields Regeneration Trust | 1,447 | 5,501 |
| People's Postcode Trust | 8,665 | 1,156 |
| Steve Morgan Foundation | 7,333 | 151 |
| UK Government - Coronavirus Job Retention Scheme | 24,718 | - |
| Wales Council for Voluntary Action (WCVA) | 11,333 | - |
| Age Cymru | 6,839 | - |
| National Lottery Community Fund | 3,265 | - |
| Flintshire Local Voluntary Council (FLVC) | 819 | - |
| | <u>282,908</u> | <u>138,114</u> |

4 Investments

| | Unrestricted funds 2021 £ | Unrestricted funds 2020 £ |
|---------------------|--|--|
| Interest receivable | <u>197</u> | <u>666</u> |

AGE CONNECTS NORTH EAST WALES
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities

| | Unrestricted funds 2021 £ | Unrestricted funds 2020 £ |
|--|--|--|
| Staff costs (see note 8) | 341,572 | 285,594 |
| Depreciation and impairment | 4,800 | 2,075 |
| Other operating costs | 50,409 | 50,953 |
| | <u>396,781</u> | <u>338,622</u> |
| Share of governance costs (see note 6) | 5,838 | 6,372 |
| | <u>402,619</u> | <u>344,994</u> |

6 Support costs

| | Support costs £ | Governance costs £ | 2021 £ | Support costs £ | Governance costs £ | 2020 £ |
|---|--------------------------------|-----------------------------------|-------------------|--------------------------------|-----------------------------------|-------------------|
| Audit fees | - | 2,700 | 2,700 | - | 2,700 | 2,700 |
| Accountancy | - | 1,129 | 1,129 | - | 1,003 | 1,003 |
| Chief Officer | - | 2,009 | 2,009 | - | 2,669 | 2,669 |
| | <u>-</u> | <u>5,838</u> | <u>5,838</u> | <u>-</u> | <u>6,372</u> | <u>6,372</u> |
| Analysed between Charitable activities | <u>-</u> | <u>5,838</u> | <u>5,838</u> | <u>-</u> | <u>6,372</u> | <u>6,372</u> |

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

During the year, the trustees received a total of £nil (2020: £nil) in expenses from the charity.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

8 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|----------------|----------------|----------------|
| Services | 30 | 29 |
| Administration | 2 | 1 |
| | <u>32</u> | <u>30</u> |

Employment costs

| | 2021 £ | 2020 £ |
|-----------------------------------|----------------|----------------|
| Wages and salaries | 312,745 | 260,233 |
| Social security costs | 12,138 | 12,914 |
| Other pension costs (see note 12) | 16,689 | 12,447 |
| | <u>341,572</u> | <u>285,594</u> |

Redundancy payments in the year amount to £11,748 (2020: £nil) and are included within the wages and salaries figure above.

There were no employees whose annual remuneration was £60,000 or more.

9 Tangible fixed assets

| | Land and buildings £ | Fixtures, fittings & equipment £ | Total £ |
|------------------------------------|----------------------------|---|----------------|
| Cost or valuation | | | |
| At 1 April 2020 | 150,000 | 7,128 | 157,128 |
| Additions | - | 2,033 | 2,033 |
| | <u>150,000</u> | <u>9,161</u> | <u>159,161</u> |
| At 31 March 2021 | | | |
| Depreciation and impairment | | | |
| At 1 April 2020 | - | 3,177 | 3,177 |
| Depreciation charged in the year | 3,409 | 1,391 | 4,800 |
| | <u>3,409</u> | <u>4,568</u> | <u>7,977</u> |
| At 31 March 2021 | | | |
| Carrying amount | | | |
| At 31 March 2021 | 146,591 | 4,593 | 151,184 |
| | <u>150,000</u> | <u>3,951</u> | <u>153,951</u> |
| At 31 March 2020 | | | |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

9 Tangible fixed assets

(Continued)

Land and buildings with a carrying amount of £150,000 were revalued at August 2019 by Celt Rowlands & Co. Chartered Surveyors, independent valuers not connected with the charitable company on the basis of market value. The valuation conforms to International Valuation Standards and was based on market transactions at that time on arm's length terms for similar properties. The Board have reviewed this value at 31 March 2021 and consider it still appropriate to carry the value of the property at this amount.

At 31 March 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £76,887.

10 Debtors

| | 2021 | 2020 |
|---|---------------|---------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 4,119 | 6,262 |
| Other debtors | 1,524 | 822 |
| Prepayments and accrued income | 18,714 | 11,321 |
| | <u>24,357</u> | <u>18,405</u> |

11 Creditors: amounts falling due within one year

| | 2021 | 2020 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Taxation and social security | 3,628 | 2,563 |
| Accruals and deferred income | 38,283 | 37,215 |
| | <u>41,911</u> | <u>39,778</u> |

12 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £16,689 (2020 - £12,447).

**AGE CONNECTS NORTH EAST WALES
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13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Balance at 1 April 2019 £ | Resources expended £ | Transfers £ | Balance at 1 April 2020 £ | Resources expended £ | Transfers £ | Balance at 31 March 2021 £ |
|--------------------------------------|---------------------------------|----------------------------|----------------|---------------------------------|----------------------------|----------------|----------------------------------|
| Land and building reserve fund | 76,309 | (1,683) | - | 74,626 | (3,409) | - | 71,217 |
| Building repair and maintenance fund | 1,683 | - | 1,683 | 3,366 | - | 3,409 | 6,775 |
| | <u>77,992</u> | <u>(1,683)</u> | <u>1,683</u> | <u>77,992</u> | <u>(3,409)</u> | <u>3,409</u> | <u>77,992</u> |

Land and building reserve fund - this fund reflects the historical cost value as at 31 March 2019 (i.e. prior to revaluation) of the property owned and used operationally by the charity, net of depreciation on the historical cost value.

Building repair and maintenance fund - this fund has been established for the purpose of defraying expenditure on the repair and maintenance of Lewis House.

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2021 £ | 2020 £ |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>42,807</u> | <u>42,773</u> |

